

SWOT Analysis

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What is SWOT Analysis

- A SWOT analysis is an incredibly simple, yet powerful tool to help us develop our business strategy, whether for a startup or guiding an existing company.
- SWOT stands for Strengths, Weaknesses, Opportunities, and Threats.



What is SWOT Analysis

- **Strengths and weaknesses** are **internal** to your company.
 - Examples include who is on our team, our patents and intellectual property, and our location.
- **Opportunities** and **threats** are **external**—things that are going on outside our company, in the larger market.
 - Examples include competitors, prices of raw materials, and customer shopping trends.

Who should do a SWOT Analysis

- For a SWOT analysis to be effective, company founders and leaders need to be deeply involved. This isn't a task that can be delegated to others.
- But, company leadership shouldn't do the work on their own, either.
- Select people who can represent different aspects of a company, from sales and customer service to marketing and product development.

How to do a SWOT Analysis

- Doing a SWOT analysis is similar to brainstorming meetings, and there are right and wrong ways to run them.
- It is a general suggest to give everyone a pad of sticky-notes and have everyone quietly generate ideas on their own to start things off.
- This prevents groupthink and ensures that all voices are heard.
- After five to 10 minutes of private brainstorming, put all the sticky-notes up on the wall and group similar ideas together. Allow anyone to add additional notes at this point if someone else's idea sparks a new thought.

Strengths

Strengths are internal, positive attributes of an organisation. These are things that are within our control.

- What processes are successful?
- What assets do we have in our team, such as knowledge, education, network, skills, and reputation?
- What physical assets do we have, such as customers, equipment, technology, cash, and patents?
- What competitive advantages do we have over your competition?

Weaknesses

Weaknesses are negative factors that detract from our strengths. These are things that one might need to improve on to be competitive.

- Are there things that the organisation needs to be competitive on ?
- What processes need improvement?
- Are there tangible assets that our organization needs, such as money or equipment?
- Are there gaps on design team?
- Is the location ideal for success?

Opportunities

Opportunities are external factors in an organizations environment that are likely to contribute to the success of company or a product.

- Is our market growing and are there trends that will encourage people to buy more of what we are selling?
- Are there upcoming events that the organization may be able to take advantage of to grow the company?
- Are there upcoming changes to regulations that might impact organization positively?

Threats

Threats are external factors that we have no control over. One might want to consider putting in place contingency plans for dealing them if they occur.

- Do we have potential competitors who may enter your market?
- Will suppliers always be able to supply the raw materials one need at the feasible prices ?
- Could future developments in technology change how one do business?
- Is consumer behavior changing in a way that could negatively impact business?

Summary

- A SWOT analysis organizes our top strengths, weaknesses, opportunities, and threats into an organized list and is usually presented in a simple two-by-two grid.
- SWOT analysis will force us to look at our business in new ways and from new directions.
- You'll look at your strengths and weaknesses, and how you can leverage those to take advantage of the opportunities and threats that exist in the market.

Thank You