

The swot analysis

Business



SWOT analysis is a process of analyzing the situation of a business venture in terms of its positive and negative issues (SWOT, 2011).

Evaluating a firm's strengths, weaknesses, opportunities and threats allows an entrepreneur to gain more insight about a business's potential and critical issues. The implication of SWOT analysis is to help an entrepreneur to identify ways of utilizing the identified strengths to take advantage of external opportunities and minimize the harm that may be introduced by threats present in the market (SWOT, 2011). XYZ Ltd is a medium-sized firm based in the United States of America. One of its major opportunities in the market in which it operates is the increased demand for goods and services that promote good health, safety and environmental conservation.

Consumers have been observed to prefer green products as opposed to non-green products. According to Berry (2010), opportunities are the attractive factors, which represent reasons for continued business existence.

For this reason the increased demand for green products and services represents a reason as to why XYZ Ltd should continue with its business operations in the market in which it operates. XYZ Ltd has been observed to be doing well in seizing this opportunity by leveraging its strengths in the market. For instance, the company has been making use of its expertise staff in green marketing to conduct a market research in order to identify the needs of consumers in relation to green products. Through this initiative, the company has so far been able to produce and supply its customers with products, which promote their health and conserve the environment. This way, the company has been able to attract more customers, thus increasing its share in the market.

Since its establishment, XYZ Ltd has been undertaking marketing campaigns and education forums to the consumers, informing them more about the importance of producing and consuming products that are not harmful to the environment. This has been one of the greatest strengths to the company since its establishment. Now that the consumers in the market have started to appreciate the environment through consuming green products, XYZ Ltd has intensified its green marketing campaigns and education forums in order to take advantage of the opportunity. Nonetheless, as the demand for green products and services continue to increase in the market, competition has increased as many firms claiming to be producing goods and services that are environmental friendly enter into this market. In order to ensure that it remains competitive in the market, XYZ Ltd has been utilizing its strength: availability of expertise staff in green marketing, to develop and produce genuine green products for the consumers in the market. This way, despite of the increased competition in the market, XYZ Ltd has managed to maintain its market share as well as attract more customers from its competitors' market shares.

Weaknesses usually detract a business from attaining a competitive edge in the market (Berry, 2008). At XYZ Ltd one of the weaknesses is lack of great market presence in the region in which it operates. XYZ Ltd operates only from its head office. It does not operate branches in other areas within its market segment. For this reason the company has been facing stiff competition from new entrants in areas where it does not have operational branches. This has prevented the company from expanding its market share in the targeted market.

Despite the stiff competition driven by new entrants in the market, XYZ Ltd has been able to achieve its mission, which entails satisfaction of the consumers' needs while promoting safety and health of the consumers through producing environmental friendly goods and services. The company has achieved this by intensifying its green marketing campaigns and producing genuine goods and services which are environmental friendly. To deal with the threat of new entrants in the market to ensure the achievement of its mission, the company has intensified its distribution channels and even introduced e-marketing in order to reach to the consumers located in areas where the company does not have physical branches. In this module, I have learnt that SWOT analysis is a vital tool of conducting situation analysis for a business venture. Through SWOT analysis an entrepreneur is able to identify the internal strengths and weaknesses as well as the external opportunities and threats of the business, and develop ways of seizing upon the external opportunities, handling external threats by leveraging its strengths and minimizing internal weaknesses by capitalizing on its strengths.

Besides, I gained more insight about how a company can realize its mission and vision through dealing with exogenous threats and external opportunities (Gareth & Jennifer, 2011).