

Using swot in business analysis

[Business](#)



Managing a business well can be a difficult thing. For most people, it is often a compromise between how much time and effort they are willing to put in, and how much success they want. That's why it's important to use the best, most time-effective techniques to analyze, manage and plan for your business. One popular tool for this is SWOT analysis, sometimes referred to as just 'SWOT'.

What is SWOT, and why use it in Business Analysis?

SWOT analyses look at the Strengths, Weaknesses, Opportunities, and Threats of a given organization or venture. SWOT is perfect for business analysis because it delves into the factors that matter most, cutting right to the chase. It also reminds you, through the simple 4-letter mnemonic, to include both the positive and negative factors and both the internal and external factors. SWOT business analysis provides profound insight into what you really need to pay attention to in current or future situations, in an easy and approachable way.

What does SWOT Analysis tell me?

SWOT focuses on four big variables which play a part in how well your business fares. Let's look at each of them in some depth, and how they relate to business analysis:

- Strengths: This is a positive, internal factor that asks "What are we good at?" It's important for every business to know what they excel at so they can use it to maximum advantage. If you, for example, make a specific product better than you do another, then narrow down your

product range. If your telecoms company has outstanding customer support and simplicity, then market your product or service to less tech-savvy clients.

- **Weaknesses:** This factor is the opposite of the one above. Weaknesses are a negative, internal factor that asks “ What are we bad at?” or “ What aren’t we so good at?” Similarly to the previous factor, this can help you to decide what to do, who to do it for, and how to do it.
- **Opportunities:** This factor is positive and external. This point asks “ What can be used to help us reach our goals?”, referring mainly to things that are out of our control. Business plans shouldn’t rely on opportunities, but they are still worth taking note of.
- **Threats:** In SWOT analysis, threats are a negative, external factor. Ask “ What might prevent or hinder us from reaching our goals?” In business analysis, this can help you to take note of and plan for less than optimal situations.

How do I use SWOT in Business Analysis?

There are two SWOT matrices you might make to assist you in business analysis — one for the present, and one for a possible future. Just sit down and separately list each of the Strengths, Weaknesses, Opportunities, and Threats for the scenario.

With just a SWOT analysis for the present, look at:

Do our goals correspond with what we do well and poorly?

What should we work on fixing or improving?

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What can we use to our advantage?

What should we watch out for?

With additional SWOT analyses, ask:

Is our current destination ideal?

How can we position ourselves to create specific opportunities or avoid specific threats?

Want more information about modelling a SWOT matrix for business analysis? Try this article.

Using SWOT in business analysis is as easy as that! Just write out your Strengths, Weaknesses, Opportunities, and Threats, and read over them (comparing them to ideal ones) to help analyze the state of your business and how to improve it. Be sure to stay tuned for an upcoming article about building a SWOT business plan for more information on this topic.

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