

How to use swot in business plans

[Business](#)



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Building a successful business requires extensive forethought and planning. The latter, business planning, assists you in picking goals, defining strategies, and actualizing your vision. It may sound complicated to do so, but with the help of some key business analyses, especially the SWOT analysis, you can make the process much easier for yourself.

SWOT: What and Why?

If you're a regular PESTLEAnalysis.com reader, you should know by now that SWOT analysis identifies the Strengths, Weaknesses, Opportunities, and Threats of a business or individual venture. A well-executed SWOT analysis reveals lots of information about the circumstances you (do or will) find yourself in, and how to make the most out of them, both of which are essential in business planning.

If you are still not sold on the importance of a SWOT analysis in business, it is critical that you review this article ("How Your Business Could Fall Without Proper SWOT Analysis") before continuing on.

SWOT Analysis in Business Planning / Plans

Business plans often try to answer questions like "How will we grow?", "What will we change?", or "What might prevent us?" The two external factors in a SWOT matrix (Opportunities and Threats) begin the process of answering these questions, thanks to their inherent relation to the future. The other two factors (Strengths and Weaknesses) — both of which are internal — also contribute to an answer, but in a less explicit way. These two

factors help you pick out, amongst other things, what to make the most of and what might need working on to reach your goals.

Business Planning, Analysis, and SWOT

You can't plan for where you want your business to be in some amount of time if you don't know where it is now. Thankfully, business analyses are designed to help you work that out. Before actually getting started with your business plan, be sure to conduct a concise business analysis (which might also use a SWOT analysis as discussed in a previous article) to gain some more insight into this matter.

Actually Planning with SWOT

When formulating a business plan, go through each of the variables included in a SWOT analysis, and ask how they relate to your plan. Here are a few examples for each factor:

- Strengths:

Does our vision correspond with what we do well?

Are we good at what we will need to be good at?

How will our plan make the most of what we are good at?

- Weaknesses:

Will our business plan be hindered by certain weaknesses?

Is it worth fixing them, or adjusting our plan to avoid them?

- Opportunities:

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What opportunities can we plan for?

How will we make the most of unexpected, unplanned-for opportunities?

- Threats:

What could prevent us from following our plan?

How will we deal with any unexpected issues?

SWOT Models for Business Planning

Everything is better explained with lots of examples or outlines, and so we have an entire article dedicated to SWOT analysis templates for more effective, efficient business planning. Be sure to check it out for another approach to using SWOT in business.

That's all there is to using SWOT analysis in business planning! It may seem simple, but its benefits are surprisingly apparent. Have you used a SWOT analysis for business planning or a previous venture? We'd love to hear about it down below, along with your questions and comments.

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