

SWOT analysis

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Type of method

Creative techniques

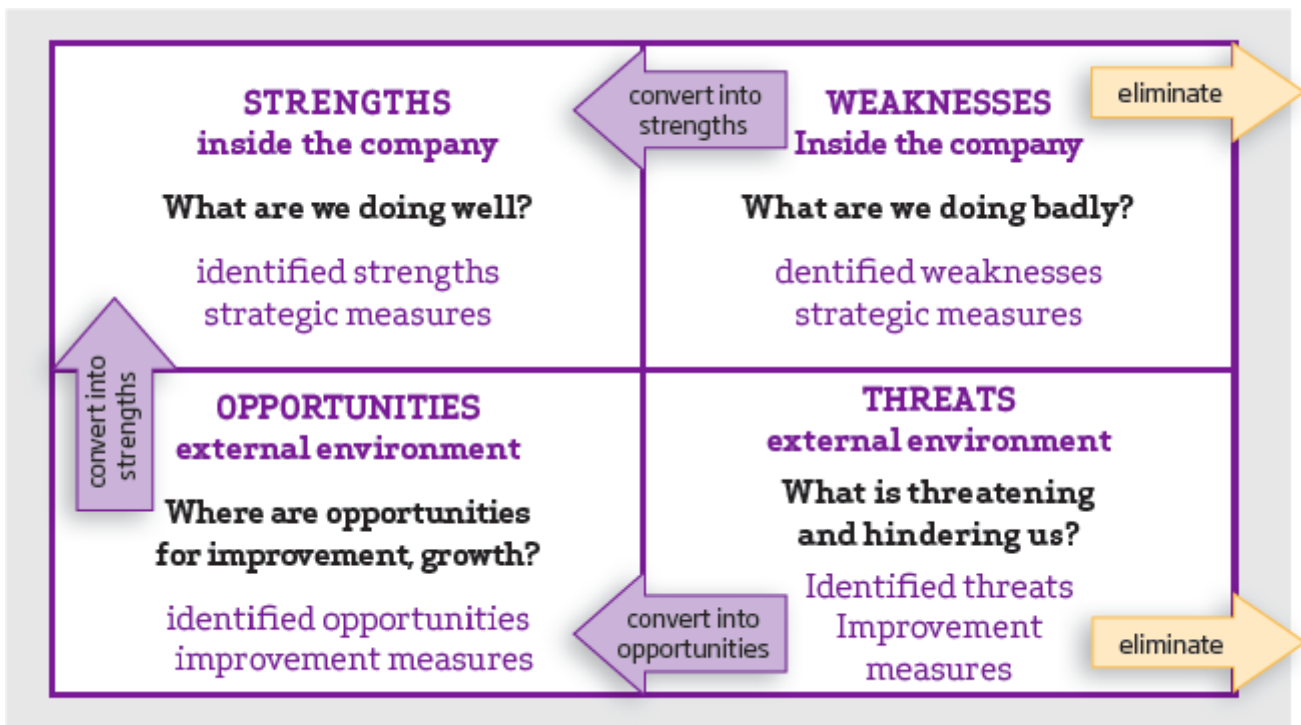
Short summary

SWOT is a strategic planning technique used to identify strengths, weaknesses, opportunities, and threats in order to achieve improvement of organizations.

Description

SWOT analysis is a tool, which is carried out by means of a simple 2 x 2 matrix. Each cell represents one aspect (strengths, weaknesses, opportunities and threats) of a situation, problem or objective.

Each cell represents one aspect of the subject in question: strengths, weaknesses, opportunities and threats. Strengths and weaknesses are considered internal issues, arising from the internal environment and operations of the organisation, while the opportunities and threats depend on external factors. The matrix may be completed gradually, each cell separately, or we simultaneously search for all four aspects for one individual element and then move on to the next element.



The challenges, pitfalls of the method and ways to deal with them

SWOT is intended as a starting point for discussion and cannot, in itself, show managers how to achieve a competitive advantage, particularly in a rapidly changing environment.

Being preoccupied with a single strength, e.g. cost control, one can neglect their weaknesses, e.g. product quality.

It provides no mechanism to rank the significance of one factor versus another within any list. As a result, it's difficult to determine the amount of any one factor's true impact on the objective.

SWOT data collection and analysis entail a subjective process that reflects the bias of the individuals who collect the data and participate in the brainstorming session. In addition, the data input to the SWOT analysis can become outdated fairly quickly.

It creates a one-dimensional model which categorizes each problem attribute as a strength, weakness, opportunity or threat. As a result, each attribute appears to have only one influence on the problem being analyzed. However, one factor might be both a strength and a weakness.

Practical application tips

It can be carried out individually or in groups, it is also suitable for personal analysis.

- *Start out with external factors*
- *Convert strengths and weaknesses into opportunities*
- *Opportunities and timeframes*
- *Threats are not within your control*
- *Use real data*
- *Prioritize important items*

Feedback from teachers and students

Students generally find this method interesting and engaging.

Advantages of the method

- *It is quick and easy to carry out as it is conducted in the form of completing a clear and simple matrix*
- *It also helps to understand the business and the way to deal with the future*
- *It can be applied to any field, and is therefore widely used*