

How To Conduct A SWOT Analysis

What Is A SWOT Analysis?

Many people see SWOT as synonymous with strategic planning. In fact, a SWOT analysis is only one of many tools that can be used in an organization's strategic planning process. SWOT is short for "Strengths, Weaknesses, Opportunities and Threats".

What Is The Purpose Of A SWOT Analysis?

A SWOT analysis is designed to help an organization understand how it relates to its external environment. In other words, to act as a way of seeing if the organization is aligned with the world going on around it.

How Do You Conduct A SWOT Analysis?

To reap the full benefits of a SWOT analysis it is important to use the tool correctly. The first thing to remember is that the analysis should provide you with information that helps in making decisions. As such, laundry-lists of strengths, weaknesses, opportunities and threats are not unto themselves helpful. It is only when the potential implications of this information on the organization is conducted that you start to get any really meaningful analysis.

Secondly, it is most beneficial to look at the strengths and weaknesses only with respect to the organization; i.e. strengths and weaknesses should be internally focused. In addition, opportunities and threats should be externally focused; i.e. what are the opportunities and threats outside of the organization.

The key steps in conducting a SWOT analysis include:

1. Brainstorming lists of strengths, weaknesses, opportunities and threats (remembering to keep the focus internal for strengths and weaknesses and external for opportunities and threats).
2. Take the laundry-list of ideas within each category and reduce them to the top 5 to 10 ideas (per category).
3. Review each category separately and discuss each of these ideas and the potential implications to the organization.
4. Remember that the idea with SWOT analysis is to gain a better understanding of how your organization can relate to its external environment. As such, the next step is to look at the internal strengths and weaknesses of the organization and see how they relate to the opportunities and threats external to the organization.
5. The final step is to look at the following areas:
 - a. Those factors that represent both strengths of the organization and opportunities in the external environment. This represents a potential area for growth.
 - b. Those factors that represent weaknesses of the organization and threats in the external environment. This represents an area that needs to be addressed.

Although this more disciplined approach can be difficult to undertake at first, once mastered it provides considerably more insight and benefit to your organization in making decisions about your future.

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