



The S.W.O.T Matrix

Assess your business strengths and weaknesses to prepare you to face the opportunities and threats ahead.

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S.W.O.T. MATRIX

Your business does not exist in a vacuum

Your success or failure will be affected by the opportunities and challenges of changing marketing conditions. How do you prepare to face challenges such as the rise of new competitors, changing regulations or the introduction of new technologies? It begins with a S.W.O.T Matrix

Snapshot in time

To be fully prepared you need to look inward to understand the strengths and weaknesses of your organization and outward to anticipate the changes in the wider market and how they will impact your business. A S.W.O.T Matrix gives you a snapshot in time helping you understand how well positioned you are to react to conditions in the market. Once you understand your current state you can develop action plans for growth or defense.

Internal Factors

Internal factors are the things you can change and improve. But you can only do that if you have a complete and accurate picture of your strengths and weaknesses. One of the best ways to collect this data is to ask customers why they do business with you and prospects that went elsewhere why they didn't.

Strengths

These are the characteristics of your business, team or product which give you a competitive advantage. They may be a unique talent or skill set of one of your employees, elements of your fulfillment process, a unique product or service, your pricing, delivery or customer service standards.

These characteristics answer the question, "Why should I buy from you?"

List five strengths which you feel give you the greatest competitive advantages.

1. _____
2. _____
3. _____
4. _____
5. _____

Weaknesses

Be honest about your weaknesses. There are things your customers value that you don't do well or at all. Acknowledging a weakness give you a starting point for change.

If you are missing a critical skill, take a course or find someone you can outsource the project to. If there is something wrong with your process which turns potential customers away or leaves them dissatisfied, now is the time to figure out how to change it.

List five weaknesses which you feel put you at a disadvantage in the marketplace.

1. _____
2. _____
3. _____
4. _____
5. _____

External Factors

Some things are simply out of your control. Depending on the nature of your business, you may be most vulnerable to things which happen on the local, national or even international level. Natural disasters, economic shifts, changes in regulations, the emergence of a new competing product, service or company, or management changes at key clients are all possible examples of external factors.

External factors are not always bad, new laws or changing tastes may make your solution more attractive to prospective customers. The first step is to simply evaluate the status of the market and potential changes. Then divide them into two categories: opportunities and threats.

Opportunities

Opportunities are market conditions and events which create or increase the need for the products or services you provide. Opportunities may arise from many directions such as niche markets, new potential partnerships, or emerging technology.

What are five trends or conditions which might create opportunities for you?

1. _____
2. _____
3. _____
4. _____
5. _____

Threats

Threats are market conditions and events which reduce or eliminate need for the products or services you provide. The rise and fall of the economy, changes in customer preferences, or the entry of a new, more well funded competitor might dramatically impact your ability to be successful.

What are five trends, changes or conditions which put future sales at risk?

1. _____
2. _____
3. _____
4. _____
5. _____

Put the Pieces Together

The purpose of this exercise is not to simply list these elements, but to use this information as a starting point for your action plans. Copy the strengths, weaknesses, opportunities and threats you have identified into the table on the next page. But don't stop with a simple list.

The real benefit of the S.W.O.T Matrix comes as you look at how the elements intersect

- Where are the biggest risks and opportunities in the next year? Make these top priorities in your business.
- How can you use your strengths to overcome threats in your market?
- What can you do to compensate for your weaknesses or eliminate them completely so you can take advantage of new opportunities?
- As shifts occur in the marketplace, what actions will you take to stay one step ahead?

Closing Thought:

The S.W.O.T matrix is a snapshot in time. Your market and your business will continue to change, so be sure to update your S.W.O.T every six months. Need help? Contact us at www.roundpeg.biz or call 317.569.1396

		Internal Factors	
		Strengths	Weaknesses
External Factors	Build Your Plan		
	Opportunities	How will you use your strengths to take advantage of opportunities?	Changes /improvements needed to compensate for your weaknesses
	Threats	How will you use your strengths to reduce the effect of threats in the marketplace?	Changes /improvements needed to reduce the effect of threats in the market