

SWOT Analysis Overview

A SWOT analysis is a simple and useful framework for analyzing a business' internal and external environment. The SWOT acronym stands for Strengths, Weaknesses, Opportunities and Threats. It helps businesses identify priorities that build on what they do well, address weaknesses for improvement, minimize threats and take the greatest possible advantage of opportunities. Preparing a SWOT analysis is an important aspect of strategic planning and should be updated annually or as needed.

Preparing a SWOT Analysis

A SWOT analysis identifies all the positive and negative factors inside and outside a business that impact the operation's success.

Strengths and weaknesses are internal to the operation, meaning these are areas management can influence or control. Strengths and weaknesses usually include such things as human competencies, products and services, production and process capabilities and resources (financial, physical or natural). The plan should leverage and build upon strengths, while minimizing or eliminating weaknesses.

<p>Strengths (internal) Qualities enabling the business to fulfill its purpose, build competitive advantage and meet its full potential.</p>	<p>Weaknesses (internal) Qualities enabling the business to fulfill its purpose, build competitive advantage and meet its full potential.</p>
<p>Opportunities (external) Favorable trends or developments that allow businesses to increase success and profits, and meet its full potential.</p>	<p>Threats (external) Unfavorable trends or developments that could endanger business integrity, success and profits.</p>

Opportunities and threats are external factors that can affect the business positively or negatively. Management cannot control opportunities or threats. However, they can identify and prepare to take advantage of opportunities or mitigate/defend against external threats and forces. Ultimately, the plan should align the operation's strengths with external opportunities and minimize weaknesses that compound external threats or vulnerabilities.

Group Conversation Guide

Including family members, partners, management team members and other trusted advisors such as Northwest FCS in these conversations can be helpful to share lessons, insights and goals.

Prepare Participants

- Schedule a dedicated time (1-2 hours depending on the group size) for a focused discussion.
- Recommend listening to the [SWOT Analysis episode](#) of the **Northwest FCS Strategic Planning audio series**.
- Provide the SWOT Analysis Guide to all participants.

Define Roles

- Identify a facilitator to keep the group focused and moving through the discussion.
- Designate one person to take 'official' notes, documenting the discussion.
- Review the meeting ground rules and verify agreement or possible changes.

Instructions

- Use the SWOT analysis worksheet to capture the strengths, weakness, opportunities and threats for the business. Next, complete the SWOT Assessment.
- **IMPORTANT!** Avoid developing solutions or strategies at this point in the process. Focus instead on developing a complete list, and then identify top priority focus areas for potential discussion later in the process.

SWOT Analysis Worksheet

<p>Strengths: Qualities enabling the business to fulfill its purpose, build competitive advantage and meet its full potential (internal and controllable).</p>	<p>Weaknesses: Development areas keeping the business from fulfilling its mission, building competitive advantage and meeting its full potential (internal and controllable).</p>
<p>Opportunities: Favorable trends or developments that allow businesses to increase success and profits (external and uncontrollable).</p>	<p>Threats: Unfavorable trends or developments that could endanger business integrity, success and profits (external and uncontrollable).</p>

**Focus on listing all strengths, weaknesses, opportunities and threats. Avoid developing solutions or strategies at this point in the process.*

SWOT Analysis Conversation Guide

Assessment Questions	Discussion Notes
What strengths represent competitive advantage that can be built upon?	
Which weaknesses can be improved over time and enhance the business?	
What opportunities are most strongly aligned to the strengths of the business?	
Which threats present higher risk and should be considered further?	
What are the highest priorities to address from the analysis? Consider the business vision and identify items with the most impact in achieving the vision.	

Recommended Next Steps

- Listen to the [Personal Goals episode](#) of the Northwest FCS Strategic Planning audio series.
- Schedule a dedicated time (1-2 hours depending on the group size) for a focused discussion on Personal Goals
- Read the [Personal Goals Strategic Planning Guide](#).

Please share your feedback! [Click here](#) to complete a short two-minute evaluation of this business resources.