

SWOTING YOUR WAY TO SUCCESS

SWOT ANALYSIS

Bank Managers seldom want to know if you have one and Marketing Consultants say you cant do business effectively without one.

No, its not a rich uncle, but a SWOT Analysis.

A SWOT Analysis is a review of the strength, weaknesses, opportunities and threats, as they relate to your business. It is of vital importance in gaining a thorough understanding of your business and will highlight many of the critical issues facing you.

Ideally, a Swot Analysis should be prepared before venturing into business, before seeking finance, and at regular intervals throughout the operation of your business, as part of your overall business planning. You should consider every area of your business, including marketing, products, distribution, training, finance, time management, skills and more.

STRENGTHS

Work out what it is you do well. Have a look at what makes you and your product or service unique in the market place. What are the things you can claim honestly to give you a competitive advantage? Look at why a client would buy from you.

WEAKNESSES

Figure out the areas that you need to work on, the things that need improvement. With a home-based business, for example, lack of space may be one of your weaknesses or an inability to lock yourself away from the activity in your home when you need to get work done.

OPPORTUNITIES

Assess what opportunities exist now and in the future. Consider what new products or services can be developed to take advantage of changing demand. Understanding your market and the products or services is vital. Knowing the key factors which influence your success will help you to focus on future opportunities. For example, if technology plays a big part in your business you may be able to identify several opportunities to take advantage of which will either help you operate more efficiently, or open up new marketing possibilities.

THREATS

Just as it is necessary to know the key ingredients for success, it is equally important that you know the things that could threaten your business. An example, is a home-based business which supplies goods via direct mail response. While technology may help you at the moment, it is possible that new technologies such as the Internet will eventually introduce the competitors and take away your market.

Careful analysis of all these issues will help you to plan better for your future success.