



SWOT analysis





I was seldom able to see an opportunity until it had ceased to be one.

MARK TWAIN

What's it all about?

The original goal of this humble tool was to identify why corporate planning failed. The origin of SWOT analysis is credited to Albert Humphrey, who researched 1,100 companies from 1960 to 1969. The resulting tool he used was called SOFT analysis based on: what is good in the present is Satisfactory; good in the future is an Opportunity; bad in the present is a Fault; and bad in the future is a Threat. In 1964 when this was presented to Urick and Orr, they changed the F to a W, and soFt become sWot.

What's it for?

The SWOT matrix provides a framework for assessing internal strengths and weaknesses and external opportunities and threats. It helps open up critical thinking across the whole of your business activities. Carrying out this analysis will often be illuminating, both in terms of pointing out what needs to be done, and in putting problems into perspective.

SWOT analysis focuses on the following questions:

- What are your aims?
- What do your customers/audiences/participants want?
- How do you distinguish yourself from your competitors or partners?
- How can you improve your services?
- How do you distinguish internal conditions (strengths and weaknesses) from external conditions (opportunities and threats)?

Using the tool

Base on a two by two matrix the tool helps identify both internal and external issues for your business.



To use the tool, work through the following steps:

1. Either individually or in a group, discuss each of the boxes using the following prompts, and explore the issues that arise. This is often done quickly as a brainstorm in the first instance

Strengths

- What are you good at?
- How are you doing competitively?
- What are your resources
- What are your advantages?

Weaknesses

- What are you doing badly?
- What annoys your customers/audiences/users?
- What could be improved?
- What should be avoided?

Opportunities

- What changes do you expect to see in demand for your work?
- Where are the positive opportunities facing you?
- What are the interesting trends?

Threats

- What obstacles do you face?
- What do other people do that you don't?
- Do you have bad debt or cashflow problems?
- Is changing technology threatening your position?

2. Record your findings under each of the quadrants (this can be done in writing or using images, diagrams or symbols) and identify which are the high-priority issues
3. Consider each of the priority issues and think about what they mean for your business and your customers, audiences or service users

It is often at this point that the process stops and the findings are placed inconspicuously in the appendices of a plan never to be seen again. To get the full benefit, you need to move to SWOT 2, sometimes known as TOWS, as part of your strategic planning.

	Strengths	Weaknesses
Opportunities	S-O strategies	W-O strategies
Threats	S-T strategies	W-T strategies

- **S-O strategies** pursue opportunities that are a good fit to the business' strengths
- **W-O strategies** overcome weaknesses to pursue opportunities
- **S-T strategies** identify ways that the business can use its strengths to reduce its vulnerability to external threats
- **W-T strategies** establish a defensive plan to prevent the organisation's weaknesses from making it too susceptible to external threats

What Next?

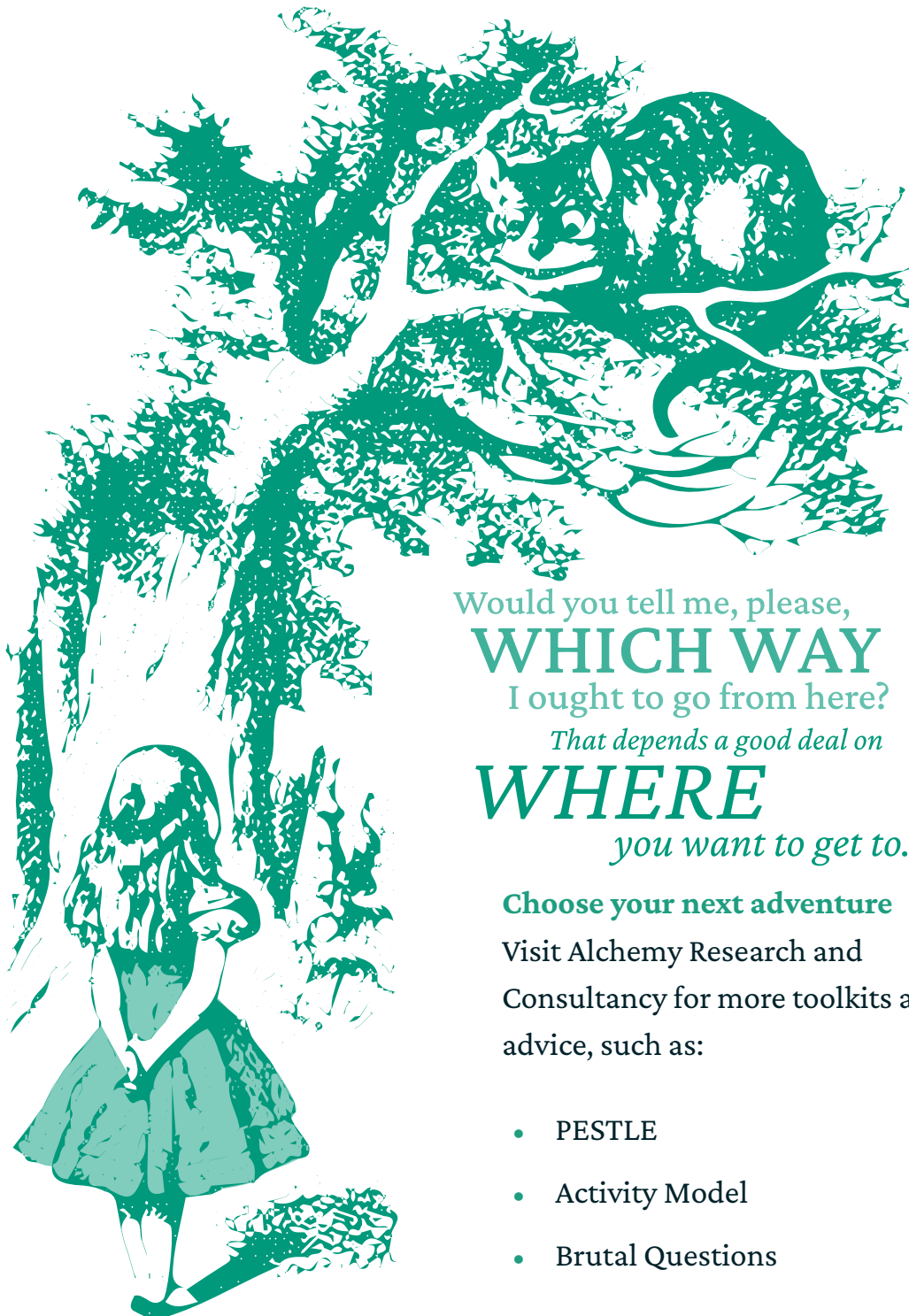
Have a go at doing a personal SWOT. What does it tell you about how you undertake your work? What strengths will you build on?

Quick tips

- SWOT is often used as a self-assessment tool, so you may miss important information about your business, or disregard issues that are significant. Try asking other people to feed into the process, like your funders, customers or artists
- A SWOT can become an end in itself and the issues it raises are therefore not followed through. Try and make sure your action plan reflects your SWOT
- You can use SWOT analysis for projects, programmes or teams as well as the whole business



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