

SWOT Analysis

A SWOT analysis offers an overview of a company's state of affairs at a given time.

Having evaluated and recognised your company's state of affairs, you are in a better position to work out a strategy for your future business operations.

The SWOT analysis is structured as shown below:

- The company's internal capabilities (Strengths, Weaknesses)
- External parameters affecting the company (Opportunities, Threats)

STRENGTHS – internal	WEAKNESSES- internal
<p>Strength is what your company is good at.</p> <p>Such as: Personal competencies, core area knowledge, family, good reputation, well-situated premises, sound economy, good relationship with the banker, special organisation, cooperation partners, business concept, proceeds, high turnover, alternative products/services, novel products, advanced technology, unique marketing....</p>	<p>Weakness could be something your company does not have, is less good at compared to your competitors, or a situation placing your company in a difficult position.</p> <p>Such as: Personal qualities, lack of core area knowledge, family, bad reputation, adverse location, bad economy, sceptical banker, special organisation, cooperation partners, business concept, proceeds, turnover, alternative products/services, outdated products, obsolete technology, no marketing..</p>
OPPORTUNITIES – external	THREATS – external
<p>Opportunities in the market can be seized or missed.</p> <p>Opportunities could arise out of: new customer groups, increased purchasing power, high birth rates, expansion of public institutions, new trends, advanced technology, dying competition, capital infusion, timing, network, grants/subsidies, supplier's credit, swift market penetration, new legislation, Asian progress</p>	<p>Threats are external parameters threatening your company's business opportunities.</p> <p>Such as: customers moving or go bankrupt, weakened purchasing power, low birth rates, building freeze, new trends, new technologies, new competition, timing, networks disintegrate, grants/subsidies, supplier restrictions, short time to penetrate market, new legislation, planes crashing into the World Trade Centre..</p>



How to use SWOT

The SWOT analysis is a tool allowing you to evaluate your company and may give you the possibility to draw conclusions on your company's future.

The most important questions that the SWOT analysis sheds light on:

- Does the company have core areas to base a strategy on?
- Does the company have weaknesses that make it vulnerable and are there means to cure this?
- What market opportunities does your company have with its present knowledge and resources? (Opportunities not backed by resources are mere illusions)
- What external threats must the company be aware of?

Strategy

Opportunities and Threats affect your company's rate of activity. Thus, a strategy must include the below features:

- Focused on market opportunities using your company's strength
- Be a defence against external threats

Core business

The secret of all strategic planning is the ability to boil down your company's strengths of management, services/products, marketing, development, etc. to your company's core business. The core business is the specific variation of your product or service that makes it unique compared to other similar products.

The core business of www.dynamicbusinessplan.com is to "Deliver basic core knowledge about starting and running a small business"

Core Competence

Core competence is the features that make your company differ from your competitors.

Often, the core competence is to be found in a person possessing, great trade skills or specialised manufacturing know how within an area.

Only rarely does core competence derive from a physical object.

There are many features of core competence:

- Professional and competent manufacturing process / performance of service
- Friendly and competent staff
- Confidence-inspiring sales attitude
- Profound expertise
- Growth oriented
- Concise sales letter formulating capacity



- Gift of seizing business opportunities
- Effective salesmanship
- Very persevering
- One of three with expert knowledge within a field
- Well-situated premises
- Large network within the product line

About DynamicBusinessPlan.com

On DynamicBusinessPlan.com you find basic core knowledge about starting and running a business.

An extract of business information that every business owner needs. No more - no less.

The basic skills of running a privately owned business are the same around the world. If you acquire this basic business skills you will be able to navigate as a business person.

Read more at DynamicBusinessPlan.com

