

SWOT Analysis

Source of Information :Industry of CANADA

SWOT Analysis

SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Strengths and weaknesses are "internal" evaluations of your company's competencies. Opportunities and threats are "external" evaluations about the industry or market within which your company does business.

Critical Success Factors

Following is a sample list of more common success factors. This list should serve only as a guide to get you started. Some of these factors will be irrelevant in a particular industry or competitive situation; others may need to be added, as appropriate. The factors are grouped into three categories of organizational competency.

Examples of Success Factors:

Understanding of Market:

- Sensitivity to changing market needs
- Understanding of how and why customers buy
- Innovative response to customer needs
- Consumer loyalty
- Linkage of technology to market demand
- Link marketing to production
- Investment in growth markets
- Knowing when to shift resources from old to new products
- Long-term view of market-development and resources
- Ability to target and reach segments of market
- Identify and exploit global market
- Product-line coverage
- Short time to market for new products
- Lack of product-line overlap
- Identification and positioning to fulfill customer needs
- Unique positioning advantage
- Strong brand image and awareness
- Understanding of competitors' capabilities and decision rules
- Sensitivity to cues for co-operation
- Prevention of price wars
- Aggressive commitment when required
- Willingness to form interfirm coalitions
- Maximizing payback from marketing response to resources

Marketing Variables:

- Distribution coverage, delivery speed, and prominence
- Co-operative trade relations
- Advertising budget and copy effectiveness
- Promotion magnitude and impact
- Sales force size and productivity
- Customer service and feedback
- High product quality
- Patent protection
- Low product cost
- Ability to deliver high value to user
- Large marketing resource budget

Decision making:

- Marketing research quality
- Information system power
- Analytic support capability
- Develop human resources
- Attract the best personnel
- Managerial ability and experience
- Quick decision and action capability
- Organizational effectiveness
- Learning systematically from past strategies

SWOT Analysis Matrix

Following this paragraph is an analysis matrix that may help you to assess your competitors' competencies against those of your company, with respect to critical success factors. The list of competencies provided is a general guide covering the main areas of an organization, and should serve as a checklist only. You may substitute the specific Critical Success Factors and ranking from your previous analysis to provide a more accurate evaluation. Analysis matrix to assess your competitors' competencies against those of your company

Competency/Success Factor (in order of importance)	Performance Rating vs. Competition				
	Much Worse	Worse	Equal	Better	Much Better
Marketing					
Company reputation					
Market share					
Quality reputation					
Service reputation					
Manufacturing costs					
Distribution costs					
Promotion effectiveness					
Salesforce effectiveness					
R&D and innovation					
Geographical coverage					
Finance					
Cost/availability of capital					
Profitability					
Financial stability					
Manufacturing					
Facilities					
Economies of scale					
Capacity					
Able, dedicated workforce					
Ability to deliver on time					
Technical manufacturing skill					
Organization					
Visionary capable leadership					
Dedicated employees					
Entrepreneurial orientation					
Flexible/responsive					

Opportunities/Threats Analysis:

Following is an analysis matrix that may be helpful in assessing threats and opportunities relevant to your business or market segment. The list of threats and opportunities provided is a general guide covering some common examples to consider, and should serve as a checklist only. You will want to substitute the specific threats you identified in your Competitive Forces Analysis to provide a more accurate evaluation. Keep in mind that what may be perceived as a threat to one competitor may be an opportunity to another. For example, lowering of entry barriers would be a threat to established competitors but an opportunity for new entrants. Also remember that market opportunities often are available for only a limited time. Failure to pursue an opportunity quickly may result in a competitor gaining a strong foothold, which may be difficult to displace.

Threats to Business or Market Segment Success:				
Threat	Magnitude			
	Very Small	Small	Large	Very Large
Reactions from existing competition				
New competitors likely to enter				
Competition by vertical integration				
Channel co-operators being competing				
Decreased entry costs				
Price/promotion war				
Change in consumer tastes and values				
Increasing power of buyers				
Increasing segmentation				
Technological change				
Material availability and supplier prices				
Economic stagnation				
Inflation				
Regulatory changes				
Political/social changes				

Business and Market Segment Opportunities:				
Opportunity	Magnitude			
	Very Small	Small	Large	Very Large
Cooperation				
Technological change				
Political, economic or social trends				
Size of market				
Growth of market				
Unfulfilled customer needs				
Gaps in existing product/services positions				

Market not segmented				
High margins				
Few or weak competitors				
Stable price structure				
Vulnerability to entry				
Low entry cost				
Low exit barriers				
High response to sales, advertising, promotion				
Transfer cost experience				
Low investment				
Low risk				
Matches our strength				