

SWOT Analysis

Denne værktøjskasse indeholder følgende værktøjer:

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- User Guide: SWOT Analysis
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- Form 2: Opportunity and Threat Matrix
- Form 3: Issues Analysis & Strategic Alternatives
- Case: Desktop Design Products
- Checklist 2: SWOT Workshop

Introduction

Do we know the situation of the Company Sufficiently?

This product package for the SWOT-analysis consists of:

- A User Guide providing a step-by-step instruction explaining how to use a SWOT-analysis in the company
- A Checklist made as a stepwise approach to prepare a SWOT-analysis. The checklist is divided in three parts. In part 1 you will find a description of a case company: “Desk Top Design Products”. In part 2 is shown how this company goes through the process of preparing a SWOT-analysis and in Part 3 you will be able to make notes for your own SWOT-analysis
- Forms 1 to 4 to fill out in order to make the actual SWOT-analysis

A SWOT (Strengths, Weaknesses, Opportunities, Threats) – analysis is a very useful tool in determining the situation of a company. Both in a strategic analysis and in a more direct practical situation the SWOT-analysis is a good method to state some important questions for the company.

By combining the internal analysis (Strengths, Weaknesses) and the external analysis (Opportunities, Threats) the company will get an overview of the alternatives and possibilities in a given situation.

In short the SWOT-analysis is maybe the most important tool you can use to evaluate future possibilities of your company.

Author

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Århus, Denmark February 2001

If you need advice concerning this theme, do not hesitate to contact hwb@henrikwbendix.dk

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This tool-kit is about “whereto the ship is sailing, and how the cruise is taking place”.

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User Guide: SWOT-Analysis

A SWOT-analysis is a brief statement concentrating on the most important points describing a company's internal (Strengths, Weaknesses) and external situation (Opportunities, Weaknesses)

What to do

Making a SWOT-analysis is a process involving several steps (see Checklist).

First of all the purpose of the SWOT-analysis must be determined. Are we starting a new company?

Case: SWOT-Analysis

We have found a business opportunity where we want to market a new service (e.g. house cleaning) to senior citizens in Southern Spain and we need to have an overview of the market possibilities, the competitive situation and how well we will be able to supply this service

Are we trying to establish a relationship with a new customer?

Case: SWOT-Analysis

We want to sell our existing product line (e.g. biscuits) to a big retail chain (e.g. Safeway in Great Britain) and we can use a SWOT-analysis to evaluate our chances for success.

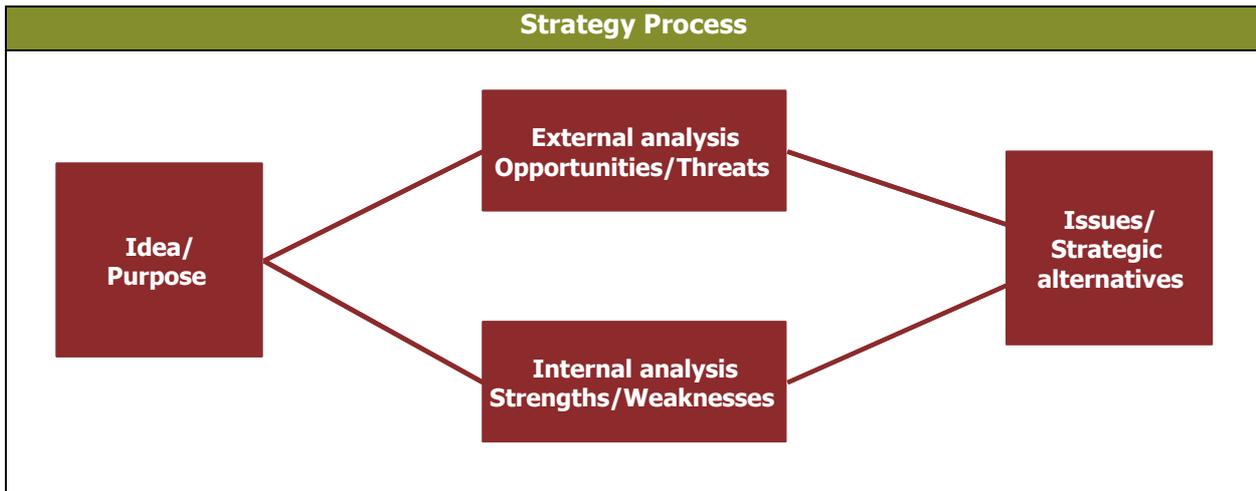
The first example is of a fundamental and strategic perspective while the second example relates to a more tactical area for the company. In both situations a SWOT-analysis will be a good tool to determine the company's possibilities.

How to do it

The process of making a SWOT-analysis will often include some research. The research methods are chosen in relation to the importance of the situation, the people involved and the time available. Often the research phase can take several months. In other situations the SWOT-analysis can be carried out in the form of a brain storming process on the spot.

This user guide will mainly focus on formalized research using different methods and tools. But it can also be used with a less formalized research process.

After the research phase it is important to formulate the different statements regarding the internal and external situation (see Form 1: Formulating the main points in a SWOT-analysis). By comparing the opportunities and threats with the strengths and weaknesses of the company you will get a good idea of alternative strategies and future possibilities.



It is important to emphasize that the SWOT-analysis should be made specific regarding an actual situation facing the company. Also the SWOT-analysis must be based on statements that see the company in relation to both customers (or other stakeholders) and the competition. In the Checklist you will find an example with a company based on a case study.

Sometimes it is a good idea to evaluate the most critical factors relating to a direction of a company's future. (See Form 2: Opportunity and Threat Matrix). The SWOT-analysis results help to pinpoint the main issues (critical questions) that may come about in future operations (see form 3: Issues Analysis & Strategic Alternatives).

Why to do it

There are several reasons for making a SWOT-analysis.

First of all it will give you an overview of the internal and the external conditions facing the company. From the SWOT-analysis, the company can formulate alternative ways to get the best out of the situation.

Case: SWOT-Analysis

In the USA a new law concerning the use of handicap material has been passed that will give our company an opportunity to penetrate the market with our advanced wheel chairs.

Secondly it is a helpful process to understand the fundamental criteria of achieving success. It also helps to give the people involved (e.g. the management team) a common understanding of the situation (see also form 4: Guidelines for arranging a SWOT-workshop).

Main theories, authors and other inspiration

The text in this product package is inspired by different marketing and management strategic thinkers such as Michael Porter of Harvard University, who has developed some very useful tools for both internal and external analysis. To get more inspiration see Michael Porter's books: Competitive Advantage and Competitive Strategy and The Free Press.

In the strategic planning process the company must be able to match its internal resources and potential with the external possibilities of the market place.

Step by-step instruction

Making the SWOT-analysis will include several steps (see Checklist):

1. Determining the purpose of the SWOT-analysis

It will be of great importance to define which problems and what purpose the SWOT-analysis should solve. Define if the SWOT-analysis is going to be used for making a new strategy for the company or if it will be a tool to determine the approach on a new market.

2. Decide which information areas that are going to be included in the SWOT-analysis

Making the SWOT-analysis will mean that you have to collect information regarding both internal and external matters (see Checklist).

To make the internal analysis (SW) material must be collected from different departments in the company, e.g.:

- Finances - the financial situation compared to the competitors
- Production - production capacity and competitiveness of our production methods
- Marketing and sales - market share, customer knowledge, and brand image
- Purchasing - relationship with suppliers (Supply Chain Management)
- Research and Development - new products or inventions, innovation capacity
- Human resources - skills of the employees, educational programs

To perform the external analysis (OT) you must collect information about the macro environment:

- Political/legal environment New laws or regulations that influence our industry
- Economic/demographic env. Development in income distribution and age groups
- Social/cultural environment Changes and trends in social and cultural behaviour
- Technological/physical env. New inventions or environmental demands

These 4 areas are sometimes called a PEST-analysis because of the first letters in the words.

Often it is even more important to analyse the importance of the microenvironment:

- Target customers A profile of the customers and the market potential
- Marketing intermediaries Development in the distribution channels
- Suppliers Possibilities of getting alternative suppliers
- Competitors How are the company's direct and indirect competitors performing and what are their

capacities and strategies?

- The public how is our relationship with public institutions?

Furthermore you must collect some data on the size and the development of the market.

3. Plan which research methods and analytical tools that are going to be used

You will often use different research methods when you make the SWOT-analysis, e.g.:

- Questionnaires both internal and external (written or using telephone)
- Personal interviews with key managers, employees, customers, intermediaries, suppliers, product experts within the area and so on

- Focus groups with customers, experts or influencers within the product area
- Observing customers, store checks

Besides this you should do some more informal research asking colleagues, customers and suppliers about how they regard your company and the market situation.



You will need to use different analytical tools in order to gain a deeper understanding of the company's environment. A good way to analyse the micro-environment is to use "Porter's 5 forces". This model focuses on the most important competitive forces that affect the industry in which our company is operating or within the area that our SWOT-analysis will cover (see Checklist for an example using this model).

All this information must be analysed further and compared to the needs of the customers and the state of the competition. Often a benchmark analysis

(comparisons with the "state of the art" firm within a given market) is carried out.

The research process will often result in a lot of information and data. From this material the SWOT-analysis must be prepared. It is important to find the most relevant and important points to formulate. (See Checklist and Form1: Formulating the main points in a SWOT-analysis).

Don't be overwhelmed by all this research. Do what you feel the time and the situation demand. Sometimes you need a lot of research and in other situations it will be OK just to use what's in your head or what is being presented at a joint meeting.

Formulating the main points in a SWOT-analysis

As described in the User Guide and the Checklist you must state the most important external and internal points in relation to the specific area or purpose.

Try to find points that qualify your own company or product compared with the competition, e.g. a strength: "our product is the only one on the market with a 24 hour service program". Also you must see the points from the customer's point of view, e.g. a weakness: "we don't have national distribution coverage of product A in France".

Case: SWOT Analysis	
Title/purpose: "Export Strategy"	
Company: Desk Top Design Products	
Time span: 4 months, February – May 2001	
STRENGTHS <ul style="list-style-type: none"> · Unique product design · Good financial position · Innovative product development · Good market share on home market 	WEAKNESSES <ul style="list-style-type: none"> · A "one-person organization" · No Export experience · No German marketing material · No access to distribution channels · No German speaking sales people
OPPORTUNITIES <ul style="list-style-type: none"> · Growth in the German market · New law for office equipment · Potential distributors have contacted us · Customer group for design products 	THREATS <ul style="list-style-type: none"> · Heavy competition · Environmental groups critical towards aluminium · A collapse in the German economy
Performed by <u>Joe D. Esktop</u>	
Date <u>3/8-2001</u>	

After formulating the main points the decision makers must discuss the direction of any further action

4. Decide what actions that are going to be taken

After formulating the main points (Form 1) the participants in the process must decide which areas are the most important in relation to formulating the strategy for the company. Sometimes you will make an opportunity and a threat matrix (se Form 2) to evaluate which points are the most critical and the most likely to happen.

Opportunity and Threat matrix (Form 2)

To get an overview and to select the most important points of the SWOT-analysis it is often a good idea to make an opportunity and a threat matrix. Here you must state the most important points and the points with the highest possibility to occur.

If you, for example, are considering a marketing plan for the German market for office equipment, you must consider what the most important opportunity will be. In our case it would be to sell to the main office supply chains. And you must also evaluate the probability of this happening.

On the other hand you must also find the most critical points regarding the threats of entering the market (e.g. that the competitors' will attack us maybe even at our home market).

Case: SWOT Analysis		
SWOT-title Export strategy		
Area Germany		
Opportunity Matrix		
	High possibility	Low possibility
High importance	· Finding the right distributor	· Competitors withdraw from the market
Low importance	· New law for office equipment regarding height regulation	
Threat Matrix		
	High risk	Low risk
High importance	· The competitors will attack us if we enter the market	· German economy collapses · German customers don't like our design
Low importance	· Environmental groups are critical towards aluminium	
Performed by <u>Joe D. Esktop</u>		
Date <u>3/8-2001</u>		

After making the SWOT-analysis you will have a document that pinpoints the main critical factors for deciding the strategy within a given area (see Form 3: Issues analysis & strategic alternatives).

Issues analysis & strategic alternatives (Form 3)

On the basis of the SWOT-analysis (form 1) and the OT-matrix (form 2) you must formulate the main strategic questions which we will describe as "issues". Furthermore you must describe the strategic alternatives that you face to make a strategy within the given area of the SWOT-analysis.

Based on the example of entering the German office equipment market you must state the most important questions such as how to establish a relationship with the most important German furniture chains.

We must also formulate strategic alternatives, which could be different ways to distribute our products. E.g. should we use a German sales agent with experience within the furniture business or should we sell directly to the furniture chain using our own sales force?

Case: SWOT Analysis	
SWOT-title Export strategy Area Germany	
Issue analysis	
Main strategic questions	Which action should be taken
How do we find the best distribution channel at the German market? How do we prepare to meet the attack from the competitors?	We'll start searching for potential partners in the business We'll find a way to differentiate products and use heavy advertising
Strategic alternatives	
Alternative A	Alternative B
Sell through a distributor with own office equipment supply Advantages: A good coverage of the market. The distributor is taking over the responsibility Disadvantages: A risk that the distributor is not as efficient as we thought Consequences: Estimated annual sales of 10 million German Marks in 2 years	Be represented through a German import agent within the industry Advantages: An independent company with many good contacts Disadvantages: The German law makes it difficult to get out of a contract with an agent Consequences: Estimated annual sales of 5 million German Marks in 2 years
We will choose alternative A since it is the most profitable	
Performed by <u>Joe D. Esktop</u>	
Date <u>3/8-2001</u>	

The SWOT-analysis will therefore be an important tool to get an overview of the future possibilities for the company.

5. Make a plan for how the SWOT-analysis is carried out

Relating to the purpose of the SWOT-analysis a time plan and a list of the participants in the process must be determined.

If we are talking about determining the future mission for the company the management team and maybe members from the board of directors must participate in the process. It is important that the participants agree on the main points in the SWOT-analysis.

In other cases, which could be determining the marketing approach on a new market usually a smaller group will participate. A market researcher will often make a market research and formulate

the points in the SWOT-analysis. Together with the decision maker (e.g. sales manager or general manager) the SWOT-analysis will be revised and the future marketing strategy can be determined.

Guidelines for arranging a SWOT Analysis

It will involve some preparation to arrange a workshop where a SWOT-analysis is made.

What material should be collected and distributed?

First of all you must decide what the purpose of making the SWOT-analysis is (see Checklist). Then you must decide how much material is going to be collected, analysed and distributed to the participants before the workshop.

Who is going to participate?

Generally you must invite the key persons in relation to the area in which the SWOT-analysis is carried out. If you are going to make a SWOT-analysis as a general foundation for the company the management team and maybe members from the board should participate. Also the market researchers could participate to provide information and data for the SWOT-analysis.

How many are going to participate?

If you make a workshop for the management team a good size group would be 4 - 8 persons. If you are planning a large workshop, it is advisable to work on a SWOT-analysis in groups of 3-5 persons. These groups could be made up either as different or as homogenous as possible to get the strongest points out of the process. Then later you must formulate some points that everybody agrees upon.

In other cases the SWOT-analysis can be made in connection to making a market analysis. In this case often the market researcher will make an outline and then he and the manager can make the final SWOT-analysis.

How should the meeting take place?

First of all there should be a formal invitation stating the purpose of the workshop and giving some background information. This material should be sent out at least 2 weeks before the workshop. At the meeting you need to choose a leader to ensure that the meeting moves in an efficient and timely manner. You should also make sure that the minutes of meeting are recorded.

Formulating the main points

At the meeting it is important that you actually formulate main points within all 4 SWOT-areas (see form 1). Discuss why these points are important and be critical about the wording, stressing that the document will be used as a template for future action. Try to make a structure for the points and always relate them back to customers and competitors. Be specific. It is not enough to state: "Good products" or "Healthy financial situation". It must be stated how the products are valued by the customer or are better than the competition in specific areas.

Deciding on future action

It is important that the participants at the workshop get a common understanding of the possibilities and challenges of the future regarding the specific SWOT-analysis. Normally people will agree on most of the points but even if you don't agree it is important that the participants understand the

meaning of the formulated points. It is therefore also important that the minutes of meeting stating the SWOT-analysis are distributed shortly after the workshop.

Form 1: Main points in a SWOT Analysis

Form 1: Main points in a SWOT Analysis	
Title/Purpose _____ Division _____ Time-span _____	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • _____ 	<ul style="list-style-type: none"> • _____
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • _____ 	<ul style="list-style-type: none"> • _____
Performed by _____ Date _____	

Form 2: Opportunity and Threat Matrix

SWOT-analysis		
SWOT-title Area		
Opportunity Matrix		
	High possibility	Low possibility
High importance	<ul style="list-style-type: none"> • _____ _____ _____ • _____ _____ _____ 	<ul style="list-style-type: none"> • _____ _____ _____
Low importance	<ul style="list-style-type: none"> • _____ _____ _____ 	
Threat Matrix		
	High risk	Low risk
High importance	<ul style="list-style-type: none"> • _____ _____ _____ • _____ _____ _____ 	<ul style="list-style-type: none"> • _____ _____ _____
Low importance	<ul style="list-style-type: none"> • _____ _____ _____ 	
Performed by _____ Date _____		

Form 3: Issues Analysis & Strategic Alternatives

SWOT-title Area	
Issue Analysis	
Main strategic questions	Which action should be taken?
<ul style="list-style-type: none"> • _____ _____ _____ • _____ _____ _____ 	<ul style="list-style-type: none"> • _____ _____ _____ _____ • _____ _____
Strategic Alternatives	
Alternative A	Alternative B
<ul style="list-style-type: none"> • _____ _____ _____ Advantages _____ _____ _____ Disadvantages _____ _____ _____ Consequence (e.g financial) _____ _____ _____ 	<ul style="list-style-type: none"> • _____ _____ _____ Advantages _____ _____ _____ Disadvantages _____ _____ _____ Consequence (e.g financial) _____ _____ _____
Performed by _____	
Date _____	

Case: Desktop Design Products

This case example is divided in 2 parts.

- Part 1 will show an example of a case story where a company faces some challenges that can be clarified by making a SWOT-analysis.
- In part 2 the company goes through the process of preparing a SWOT-analysis. In this part the different tables and forms are filled out.

Part 1: Background information

A designer who had some good ideas regarding functional design for offices founded the company "Desk Top Design Products" 5 years ago. The company started in his workshop, and after 3 years a new plant was built with 10 employees in the production and 4 in administration.

Organization:

The founder is the general manager who takes care of the product development (which is his main interest) and the production. He is also the sales manager, although he has recently employed a sales and marketing assistant to help expand the sales activities. Furthermore, the company employs a bookkeeper and a secretary.

Product line:

The product line consists of well-designed, high end, aluminium office equipment. The founder is now considering the development of a new office desk made in the same light aluminium design as the rest of the product line.

Distribution channels:

The products are sold to the Business-to-Business market through office supply wholesalers. There might also be possibilities in selling to the home office market but the company has decided not to enter this market for the moment.

Promotion:

The company has made an attractive product brochure with technical specifications. Furthermore the company has done some advertising in office equipment magazines. Over the last two years, they have also been exhibiting at an office equipment trade show, which has resulted in several new contacts from the international market.

Strategic questions:

The founder is now considering further expansion into a new factory for office desk production. The expansion could double turnover within a short time, but the founder also knows that he might have to change his own role in the company and maybe hire a new managing director and several middle managers.

Use of a SWOT-analysis:

In fact this case could lead to at least 3 different problem statements:

1. Should the company expand further and maybe change the organizational structure?
2. Should the company develop a new office desk to supplement the product range?
3. Should the company start exporting abroad?

This checklist will provide some main points that the company would consider in a practical use of a SWOT-analysis to find the right approach to the different opportunities that the company faces.

Part 2: Preparing a SWOT-analysis for "Desk Top Design Products"

1. Determining the purpose of the SWOT-analysis

1.1. The scope of the SWOT-analysis is decided:

The Purpose and time frame for the company's 3 problems must be determined. The company does not really have any divisions or department and the founder will be a very central person in the process.

		Division/department	Time Span	"Working Title"
Vision	<input checked="" type="checkbox"/>	Management	3-5 years	"Double turnover"
Mission	<input type="checkbox"/>			
Strategy	<input checked="" type="checkbox"/>	Production	1-2 years	"New office desk"
New market	<input checked="" type="checkbox"/>	Sales/export	6 months	"Export"
New product	<input type="checkbox"/>			
Other	<input type="checkbox"/>			

1.2 State the purpose/goal:

The purpose of the SWOT-analysis is to make a situation analysis to get an overview of the different strategic alternatives regarding:

- 1) Future expansion/organizational change (double turnover in 4 years)
- 2) To decide whether or not to develop a new office desk
- 3) To decide whether to enter the export market

2. Decide which information areas are going to be included in the SWOT-analysis

The following part will concentrate on the Export Strategy but could have been used on the other defined problem statements.

One very big question will be which markets to enter. Here the size of the local market, the competitive situation, the possible distribution channels and our "closeness" to the market will be very important. In this case the company has made an initial screening and has decided to concentrate on the German market

2.1. Internal areas

We will have to be aware of the resources required for this type of venture. These include the company's technical, organizational and personnel resources in addition to its financial means.

Main points	
Financial situation	Capital or loan possibilities, ROI, equity ratio etc.
Marketing	Do we have the marketing expertise required?
End user loyalty	What are the end users' purchasing habits in the export markets?
Intermediaries	Can we use any of our known distribution channels?
Production capacity	Do we have the capacity to expand the production?
Production methods	Are we efficient in our production methods?
Product development time	Should we develop new products for the export markets?
Supply chain management	Have we optimised our supply chain?
Product competitiveness	How cost effective are we in our production?
Price competitiveness	What are our prices compared to the competition?
Other Areas: Management	What skills would it require to run a double size company?
Export experience	How do we organize our export activities?
Consumer market experience	Do we have enough knowledge about the consumer market?

As you can see, we will have to consider the most important areas in relation to the specific requirements.

2.2. External areas

Similarly regarding the external conditions we will have to consider the most important areas

Main points	
Political matters	Are there any important political factors related to the export markets?
Legal matters	How are the legal conditions for the consumer and export markets?
Economical	How is the economic development of the export markets?
Demographic	What are the major developments in our customer's age group?
Social	Are there any changes in social conditions that affect our business?
Cultural	How will cultural differences affect the demand for our products?
Technological	Is there a new technology that can challenge our products?

Environmental	Is there any pollution connected with our production?
Trends	How will the trend in office equipment develop in the coming years?
Fashions	Is aluminium a fashionable product or should we consider other materials?
Other External Areas	

3. Plan which research methods and analytical tools are going to be used

After we have made an overview of the information areas, we will have to consider which research methods and analytical tools we are going to use.

3.1. Research methods

To collect the information, several different research methods can be used. Depending on the purpose and how much information you have about the topic the research must be planned. In this case the company does not have much information about the German market and therefore they need to do extensive research, possibly with the help of a marketing research company.

		Ideas/topics/purpose	Population/sample
Focus group interviews	<input checked="" type="checkbox"/>	A group of office managers to discuss use of office equipment	German companies/ groups of 6-8 people
Customer interviews	<input checked="" type="checkbox"/>	In depth interviews with potential distributors	Office supply companies
Supplier interview	<input type="checkbox"/>	(probably not relevant here)	_____
Expert interviews	<input checked="" type="checkbox"/>	Discussions regarding new trends and developments in the new market	Interior decorators and architects
Questionnaires	<input type="checkbox"/>	__(not relevant here)__	_____
Observation	<input checked="" type="checkbox"/>	Visit Hanover Office Fair	_____
Store Checks	<input checked="" type="checkbox"/>	Visit office supply stores and home pages	_____

3.2. Analytical tools

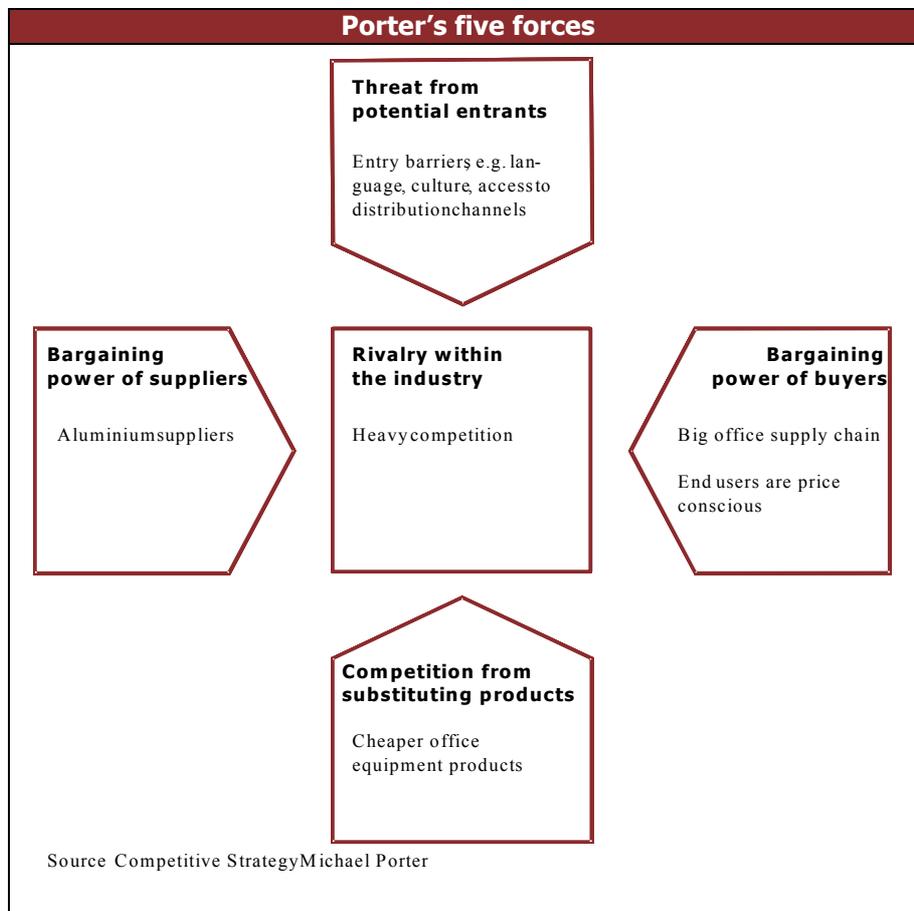
Initially it would be a good idea to make an analysis of the macro environment of the potential export market using a PEST-analysis for the German office equipment market.

PEST Analysis

<p>Political/legal factors</p> <ul style="list-style-type: none"> • Stable political environment in Germany • New law for office equipment regarding regulation of heights for office desks 	<p>Economical/demographic data</p> <ul style="list-style-type: none"> • OECD expects an economic growth in Germany of 2-3% per year in the coming 2 years • Investments in office equipment are expected To rise by 10-15%
<p>Social/cultural matters</p> <ul style="list-style-type: none"> • Increased focus on working climate in Germany • The German business culture is very formal 	<p>Technological/environmental development</p> <ul style="list-style-type: none"> • New production methods for aluminium products are being developed • German environmental groups are critical of pollution from aluminium production

From the PEST-analysis we can find both opportunities and threats regarding Germany as a potential export market for the company (see Form 1).

After the overview of the macro environment it will be necessary to analyse the microenvironment, e.g. the competitive situation in the industry for office equipment. Therefore it is a good idea to make a structured approach to find out which competitive forces that are the most important for our company using “Porter’s 5 Forces”.



From the use of this model we can see that it will not be an easy task to enter the German market for office equipment. The biggest threats seem to be the existing competitors with similar designer products (see also benchmark analysis later) and the purchasing power of the big office supply chains. On the other hand we have had requests from several German wholesaler companies within office equipment. They think our products will have the ability to gain a considerable market share within the design-oriented customers.

The size of the market is also very attractive, with an estimated annual turnover of 700 million German Marks per year and an expected growth of 10-15% next year.

To evaluate our chances of entering the market we need to make a comparison between our company and the main competitors in the market. Therefore we will carry out a benchmark analysis.

Critical factors	Our company	Competitor A: Schmidt	Competitor B: A-Büro
Financial situation	Sound, equity 80 million	Fair, equity 45 mio	Excellent, equity 230 mio
Marketing	Poor, no German mat.	Fair, nice brochures	Excellent, professional
Products	Elegant, modern design	Traditional design	Traditional, exclusive
Prices	High prices	Medium prices 25%	Premium prices 35%
Market Share	Zero (estimated 10%)	Imitations	Slow, traditional
Product development	Innovative design	Fair	Excellent
Other areas	Unknown to the market		
.....			
“Brand image”			
.....			
.....			
.....			

From the benchmark analysis we can see that there will be competition from competitor A: Schmidt because of traditional products and relatively low prices and from Competitor B: A-Büro, which is a very well established company in the industry with an excellent image and exclusive products.

After making the benchmark analysis we can formulate the main points in the SWOT-analysis (see Form 1).

4. Decide what actions are going to be taken

4.1. Formulation of the points in the SWOT-analysis

The SWOT-analysis will give you an excellent overview of the internal and external situation of the company. This is the basic template for making future strategies (see Form 1 for a SWOT-analysis for Desk Top Design Products).

4.2. Preparing an opportunity and threat matrix

Now the decision makers must evaluate the main possibilities and challenges facing the company. It is often a good idea to make an opportunity and threat matrix (see Form 2) to get an overview of the most important points in the SWOT-analysis. In this case the company’s most important opportunity is to find the right distributor at the German market while the worst threat is to prepare for the reaction of competitors upon entering the market.

4.3. Issues analysis and strategic alternatives

The next step will be to prepare a list of main “issues” (strategic questions) from which we must decide which actions are to be taken. The final point will be to evaluate different strategic alternatives from which we must decide our future strategy and action plan. In our case the company must choose between a distributor and an agent on the German market and it seems like the distributor will be the right solution.

5. Make a plan for how the SWOT-analysis will be carried out

It will be a good idea to make a plan of the actual process of making a SWOT-analysis.

For our company the process is rather easy to plan since the managing director is making all the vital decisions but it would be a good idea to let our marketing assistant make the market research (or maybe to consider using a marketing research company).

SWOT-plan		
	Person/department	Time schedule
5.1. Who are defining the purpose and the scope	General manager	February 1 st
5.2. Who are collecting information	Marketing assistant	Febr/March
5.3. Who are analysing the information	Marketing assistant	March 31 st
5.4. Who are formulating the SWOT-points	Marketing assistant	April 15 th
5.5. Who are making the Issue-statements	General manager	April 30 th
5.6. Who are deciding the future strategy	General manager	May 15 th
5.7. Who informs about the results	General manager	May 30 th

Checklist: SWOT Workshop

	Responsible	Date	Performed
Meeting to plan the workshop	_____	_____	_____
Collect information	_____	_____	_____
Make an agenda	_____	_____	_____
Decide who is going to participate	_____	_____	_____
Send out information and invitations	_____	_____	_____
Arrange the practical workshop	_____	_____	_____
Find a leader of the workshop	_____	_____	_____
Divide the participants into groups	_____	_____	_____
Formulate the main points	_____	_____	_____
Discuss the future points	_____	_____	_____
Make a follow up plan	_____	_____	_____

