

# SWOT Those Pesky Business Problems

By *David Dunn*

Many tools are available to the business owner to assist in making the business more efficient and more profitable. Three things typically keep owners from using these tools. Either they don't know about them, they cost too much, or they take up too much time. SWOT is a tool to be used in a business that costs little or nothing, and the time spent working on it could make the business more profitable.

SWOT (as opposed to swat) isn't something you do to a fly. It is a simple, analytical tool you can use to help your business prosper. SWOT is an acronym that stands for Strengths, Weaknesses, Opportunities, and Threats.

The objective of a SWOT analysis is to identify and address the most important Strengths, Weaknesses, Opportunities, and Threats affecting the organization. Strengths and Weaknesses usually come from within an organization, and Opportunities and Threats usually are derived from outside an organization.

SWOT analysis is generally more effective if done with an objective outside person serving as the overseer, but this is not mandatory. You can actually do a SWOT alone, but it is more effective if all the key people of an organization participate, for each has a different perspective.

Since they are usually the easiest to unearth, start with listing the company's Strengths, which are those capabilities that give it a competitive edge. These Strengths may include having

motivated employees or the highest quality product on the market.

Next, list the Weaknesses, which are the shortcomings that are potential barriers to success. This list could include such things as poorly trained personnel or lack of finances to accomplish programs.

Then, look for Opportunities which, if taken advantage of, could allow the business to significantly improve its competitive position. Depending on the type of business, Opportunities could include a large new subdivision with no competition located nearby, or consumers turning to healthier foods and lifestyles.

Threats that are to be listed should shed light on those perils which need to be addressed that have the potential to negatively affect the company. New government regulations, new product innovations, and new competition are all potential Threats to a business.

Once a very inclusive SWOT list is complete, decisions have to be made on which ones will be addressed. Goals for each point that was chosen should be set. Once this is done, options for attacking each area should be listed and narrowed down to the most potentially effective. From this point, work to accomplish the goals that were set.

Some key tips to accomplishing a quality SWOT analysis are: involve the key people of the business; don't take on impossible tasks or too much at one time; and be honest with yourself. If you are a lousy manager, admit it. If your products stink, face it.

If you deceive yourself in any area, you are only hurting your business. And, if you should need an objective, outside observer, call the Georgia SBDC Network. We can help.



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