

What is a SWOT analysis?

A strengths, weakness, opportunities and threats (SWOT) analysis is a chart that entrepreneurs often use to plan the strategy for an upcoming business venture. Typically, a SWOT analysis chart has four quadrants, each representing a different component of the framework. In each square, you can include multiple bullet points that exemplify that quadrant's topic and how it relates to the future of the business.

A major benefit of a SWOT analysis is that it allows you to identify the relationships between the elements of your venture. For example, it may help you understand how the opportunities and threats of your project overlap, such as a partnership or sale that could have significant positive or negative effects. SWOT analysis charts make it possible for entrepreneurs to address the long-term planning and overall components of their proposal before moving forward with other elements of the business.

Strengths

The strength quadrant of a SWOT chart addresses the business's potential for success, either financially, culturally or through the cultivation of a loyal consumer audience. Understanding and identifying strengths of a business plan is important for determining the proper processes for advancing the venture. Knowing the strengths of a project is also helpful for marketing and advertising purposes because you can focus on the elements of the business that set you unique and the best choice for consumers. Guiding questions could include:

- What do we do well?
- What do our members say we do well?
- What makes our organization unique?
- Is there strong awareness of our organization?
- How would relationships with our Members and individual retired teachers be characterized?
- How would our external relationships be characterized?
- What skills and attributes do have that other similar organizations don't?

Weaknesses

The weakness quadrant of a SWOT analysis focuses on the elements that might hinder a business from succeeding in the long term. Some common weaknesses may include propensity for debt, poor market value, inadequate branding and a lack of investors. Identifying weaknesses can make it easier for [business owners](#) to determine where they can make improvements to the business model so that the venture is as successful as possible. Guiding questions could include:

- Where can we improve?
- What do our Members and retired teachers express concerns about?
- What concerns are hard to address?
- In what circles are we not well known?
- What are our limitations?
- What resources, facilities or equipment are outdated?
- What skills or abilities are we lacking?
- How is our cash flow? Reserve levels? Debt levels?

Opportunities

The opportunities quadrant represents the abilities of a business or organization to expand and earn a competitive edge over its market counterparts. A business' opportunities can be its potential investors or investments, policy or law changes that can propel a business to success, the state of the market or even the cultural factors that affect the public's purchasing decisions. It's important to understand the opportunities of a venture because you can determine how to maintain or expand the business and adapt if unexpected circumstances occur. Guiding questions could include:

- Do similar organizations have any weaknesses or areas they are not addressing?
- Is there a target group we want to focus on?
- Is there an untapped market / group?
- Are there events we could benefit from? What are they?
- Are there expansion opportunities? What are they?
- Are there re-focussing opportunities? What are they?
- Are there new sources of funds, funding, or financing?
- Are there trends that might work in our favor?
- Are there any technological advances that could benefit us?
- What unique opportunities do we offer?

Threats

The threats quadrant of a SWOT analysis chart is important because it helps business owners and investors understand the potential threats of launching a new venture. Some common business threats include high production or materials costs, a small labor pool, changes in industry regulations or policies, poor market conditions, market and consumer trends and the onset of strong competition. Business owners can use this quadrant to help develop strategic plans for mitigating these risks. Guiding questions could include:

- Are there things or groups we would see as external threats?
- Are there things or groups we would see as internal threats?
- Are there other organizations targeting the same groups?
- Is our target group shrinking or shifting?
- Are there trends that could work against us?
- Are there any technologies that could work against us?

SWOT Analysis Template

Strengths	Weaknesses
Opportunities	Threats