

How to complete a SWOT analysis

A SWOT analysis is used to help fine-tune your business strategy by examining internal and external factors that may help or hinder your business. Identifying and understanding the strengths, weaknesses, opportunities, and threats – that's what SWOT stands for – allows you to address them and make smarter decisions moving forward.

A SWOT analysis will help you to identify each of these characteristics for your business so that you can better understand what you're doing well, what you could improve, and which external factors could affect your business.

Understanding the SWOT Matrix



SWOT analyses uses a simple 2 by 2 matrix, but don't let the simplicity fool you. This is a powerful tool that can quickly help you assess your business's health and potential. Each of the four squares is used to group the individual SWOT factors:

Look at the grid above and you'll see that the first row contains the internal factors – strength and weaknesses. These are factors you have some control over as they are internal to your business. For example, your highly trained staff is a strength, and it's a result of your hiring decisions and training investments.

The second row contains external factors – opportunities and threats. These are outside factors that are beyond your control. For example, a competitor may try to lure away your best employees, a natural disaster may create a demand for certain products or services, or a new technology may change how a process is done.

Now look at the grid's first column. It contains strength and opportunities. Those are both positive factors. They are helpful. The second column lists the issue's weaknesses and threats, both of which are negative and harmful.

Our SWOT template provides you with a highly visual way to assess any number of business concerns including, but not limited to, the following:

- Your existing business as a whole
- A possible business venture or expansion plan

- A department in your business
- Your industry
- A job applicant
- A product
- A new location or market
- A project
- A business or marketing strategy
- A marketing campaign

Being able to clearly see the strengths, weaknesses, opportunities, and threats of your business and various projects is essential in fine-tuning your strategy. SWOT analyses are a great way to explore potential solutions, identify potential barriers, choose an effective strategy, or revise an existing strategy. Conduct regular SWOT analyses to keep your business on the right track, and whenever you're faced with a decision.

How to use our SWOT template

Our downloadable SWOT template is easy to use. It's a Microsoft Word document containing a SWOT grid where you can enter and evaluate the internal and external factors affecting a given issue.

Step one: define the issue

Define the issue you're assessing and enter it in the space above the grid. For example, if you're assessing your business as a whole, enter "business SWOT analysis" along with the date above the grid. Define the issue as clearly and succinctly as you can. The better defined the issue, the better able you'll be in identifying relevant factors.

Step two: work the grid

Go through each of the four criteria – strengths, weaknesses, opportunities, and threats – and assess your business, or whatever the defined issue happens to be, on each one.

This is often a non-linear process, so feel to jump around the grid as ideas come to you. For example, as you're listing strengths, you may notice that a serious risk exists that threatens that strength.

Step three: assess the results

Look at each square of the grid. Are there any strengths you're not making the most of, or any weaknesses that could be dealt with? Have you identified opportunities and threats?

Think about each of these factors and how you might take advantage of those that are helpful and fix, mitigate, or eliminate those that are harmful. Refer to the SWOT analysis as you make your decision or formulate an action plan.

Step four: repeat frequently

The simplicity of the 2 by 2 grid makes conducting a SWOT analysis something you can do quickly and easily – and often on a moment's notice.

Plan on completing the analysis:

- On a regular basis – such as each quarter to ensure that you're aware of your business's current and ever-changing status.
- Whenever you need assistance making important decisions.

