



ARTICLE

**Six Tips for Better  
SWOT Analysis**  
**DIY Marketing Series**

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## Six Tips for Better SWOT Analysis

Since its introduction at Stanford University in the 1960s, SWOT Analysis has become a staple in strategic planning. This simple but effective process helps organizations identify and manage the environmental factors that affect their organization's success.

SWOT's popularity is a credit both to the simplicity of the process and to its workability in almost any setting. Whether you are a university or a corporation, a charity or a football team, a governmental body or a new employee, SWOT analysis can help you get a better understanding of the factors that affect your success.

SWOT analysis identifies factors internal to your organization – things you may be able to control directly – as well as external factors inherent in your environment – factors you will have to deal with, but most likely cannot control directly.

An internal scan of your organization will help you identify your strengths and your weaknesses. Strengths are resources and capabilities that can be leveraged to create competitive advantage. In a business setting, strengths may include a diverse product line, access to capital, or a reliable supply chain. For an individual, strengths may include excellent communications skills, technical expertise or a willingness to work long hours. Weaknesses usually stem from a lack of resources or capabilities. They represent vulnerability, because they can be leveraged by your competitors or by your environment. For a charitable organization, weaknesses might include an inexperienced fund-raising team or a poorly-defined mission. And for a community college, weaknesses could include a shortage of college recruiters or an unsafe campus environment.

An external scan will help you identify the opportunities and threats that face your organization. Opportunities are areas where existing (or potential) factors could facilitate profit or growth or sustainability. Threats, of course, are existing or potential factors could challenge or destroy profits or growth or sustainability. Tightening regulations on borrowing might be seen as a threat to a startup company. And the impending collapse of a major competitor might present an opportunity.

On the surface, the SWOT process is a simple thing. Yet most organizations who use the process significantly underachieve their objectives in the process.

Leveraging the skills of an experienced consultant greatly improves the probability of a useful outcome. Consultants bring an outside perspective that is not only trained to remain objective, but is blind to organizational bias. Good consultants are skilled facilitators, able to encourage input and foster collaboration throughout the exploration process. Great consultants have learned to ask dozens (if not hundreds) of questions that force an organization to explore all of the issues that may affect their success.

But not all organizations have the funds to hire a trained consultant, and many situations do not afford the time to bring in outside help. For those who are forced to take the do-it-yourself approach to SWOT, these six tips will markedly improve your chances of a positive outcome.

1. SWOT is particularly useful in developing a quick perspective. It is a scan of the environment, not a detailed analysis. So you'll want to use SWOT analysis at the outset of your project, not in mid-stream.
2. SWOT analysis requires input from multiple levels of the organization and multiple disciplines in the organization, not just from the CEO or Executive Team. And if you really want a 360-degree view of your organization, you'll solicit input from clients, and from delivery partners and from suppliers, as well.
3. SWOT is an effective approach to highly conceptual issues, like Brand. It combines free-style thinking with a disciplined approach to produce comprehensive, solid, and foundational observations. Yet, it also works well for very specific or tactical issues, like the development or launch of a new product. In fact, SWOT analysis performed at the product level will produce very different results than SWOT analysis at the organizational level. And the closer to the street you get with your SWOT analysis, the more actionable your outcomes become.

4. SWOT is less effective at the organizational level, for two reasons:
  - Individual characteristics may be strengths in one context and weaknesses in another – just as external issues may present opportunities or threats, depending on context. This creates ambiguity and may muddle the process.
  - Because of its inherent ambiguities at the organizational level, SWOT results are not easily actionable, and without action steps, the SWOT process becomes an academic exercise and is soon forgotten.
  
5. SWOT is most effective when focused on the areas of greatest impact for the organization, not simply the most lucrative opportunities.
  - The first step in identifying impact potential is to stack rank your opportunities and your threats. The highest priority opportunities would be the ones that advance your organization's goals or mission. That could be growth, or profit, or sustainability, or reputation, or a hundred other metrics. Threats are prioritized in terms of size of the threat, and likelihood of the threat becoming a reality.
  - The second step is to identify strengths that can be leveraged to create opportunities or to combat threats, and weaknesses that must be addressed to avoid disaster.
  
6. Regardless of the level at which SWOT begins, it should be carried through to the individual product level of the organization, where ambiguity is less likely and where action steps can be identified and implemented.

As with most things, practice makes perfect. Initially, your SWOT analyses may seem awkward, you may fail to explore issues or areas important to your success, your participants may quibble and monopolize the process, and your analysis may produce lackluster results. But over time, and with a little guidance, your strategic planning will pay big dividends.

In the end, the more you put into your situation analysis, the stronger your marketing plan will be. And one thing is sure: your odds of success increase dramatically with a well-executed plan.

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