

STRATEGY

THE SWOT ANALYSIS

Based on a Stanford University study of Fortune 500 companies, the model helps clarify objectives and implementation of solutions to be more efficient and productive. More value is extracted from this model assuming careful thought is given to each quadrant. The analysis can be performed at any time for example when taking on new ventures, product development, or in deciding mergers and acquisitions.

An individual or stakeholders should brainstorm and assign attributes as a Strength, Weakness, Opportunity, or Threat. Strengths and weaknesses are internal where opportunities and threats are external. After quadrants are filled, the next step is to consider what actions can be taken, like how to bolster strengths and respond to threats. The goal is to generate strategic alternatives. One method to do this is to pair quadrant items.

For instance, if a company has the strength of a strong reputation and the opportunity for a new software product that the market is lacking, an action item might be to rollout a product launch program that leverages your existing positive reputation. Or for example if an external threat strongly correlates to an internal weakness, this should be addressed as it demonstrates one of the highest levels of risk an organization faces.

Once strategic initiatives are developed, they should be prioritized, socialized, and plotted on a roadmap considering longer term company objectives.

