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BUSINESS ENVIRONMENT

S W O T

Analysis



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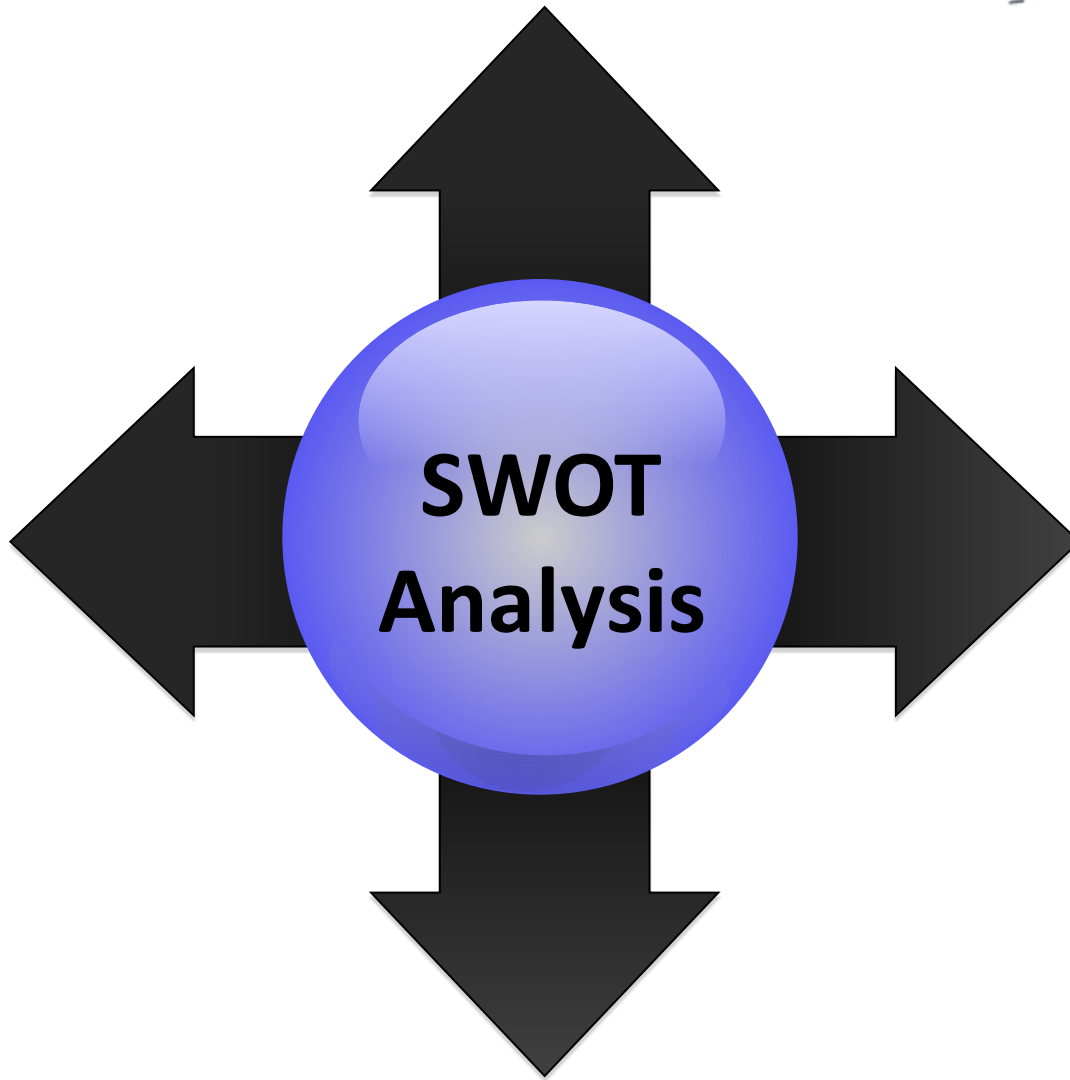
CONTENT

Meaning

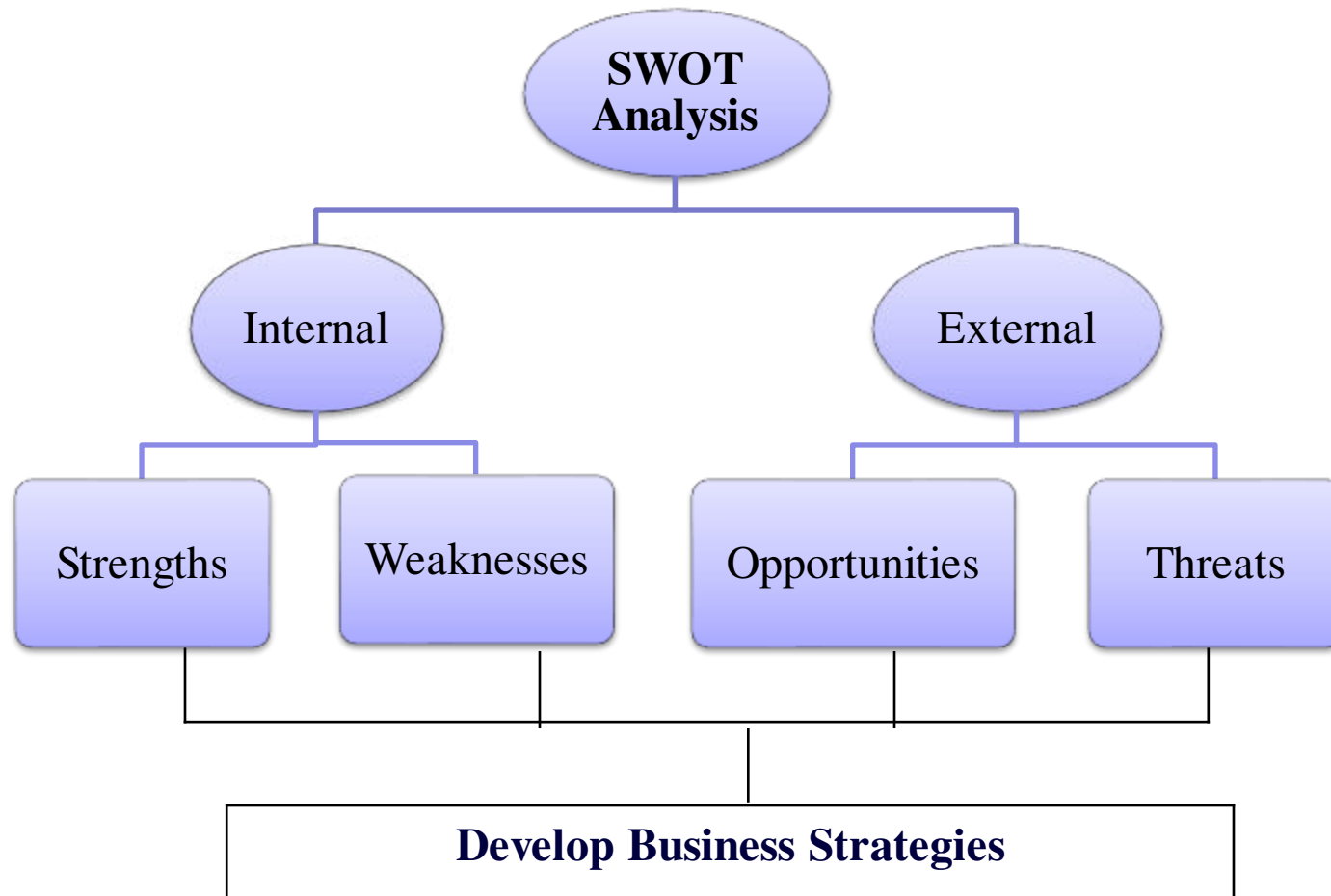
Benefits

Example of SWOT analysis

What is SWOT Analysis?



- ▶ Acronym for **Strengths, Weaknesses, Opportunities, and Threats**.
- ▶ Technique is credited to **Albert Humphrey** who led a research project at Stanford University in the 1960s and 1970s.
- ▶ Framework for identifying and analyzing the **internal and external** factors that can have an impact on the viability of a project, product, place or person.



Strengths

STRENGTHS

- ▶ something we do well
- ▶ Positive tangible and intangible attributes, internal to an organization.
- ▶ competitive capability
- ▶ Examples -, Well-known brand name,, Lower costs [raw materials or processes, Superior management talent, Better marketing skills, Committed employees.



Weaknesses

WEAKNESSES

- ▶ Weaknesses are the factors which do not meet the standards we feel they should meet. However, sometimes weaknesses are controllable. They must be minimized and eliminated.
- ▶ Lack of assets
- ▶ Missing capabilities
- ▶ Examples - Limited financial resources, Limited distribution, Higher costs, Out-of-date products / technology, Weak market image, Poor marketing skills.



Opportunities

OPPORTUNITIES

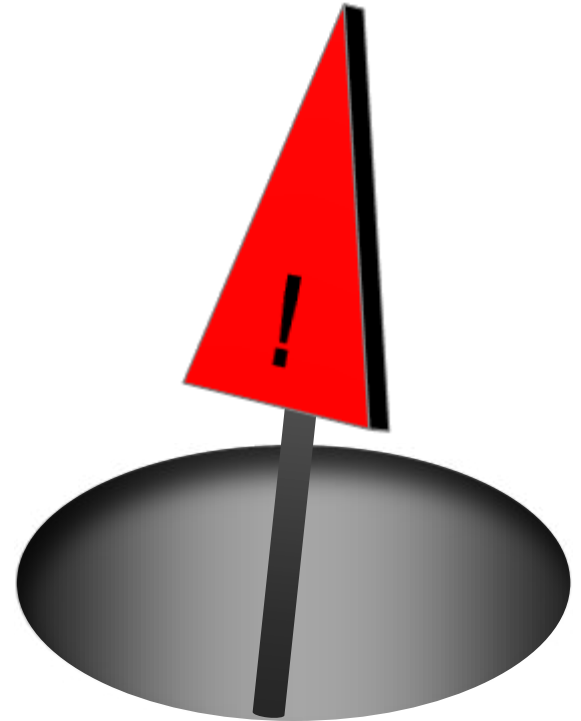
- ▶ Chances to make greater profits in the environment - External attractive factors that represent the reason for an organization to develop.
- ▶ Arise when an organization can take benefit of conditions in its environment to plan and execute strategies that enable it to become more profitable.
- ▶ Examples - Rapid market growth, Changing customer needs/tastes



Threats

THREATS

- ▶ External elements in the environment that could cause trouble for the business - External factors, beyond an organization's control, which could place the organization's mission or operation at risk.
- ▶ Arise when conditions in external environment jeopardize the reliability and profitability of the organization's business.
- ▶ Examples - Entry of foreign competitors, Changing customer needs/tastes, adopt new strategies, Increased government regulation, Economic downturn.



Benefits of SWOT Analysis

Knowing the competition



Decision making tool



Improve efficiency



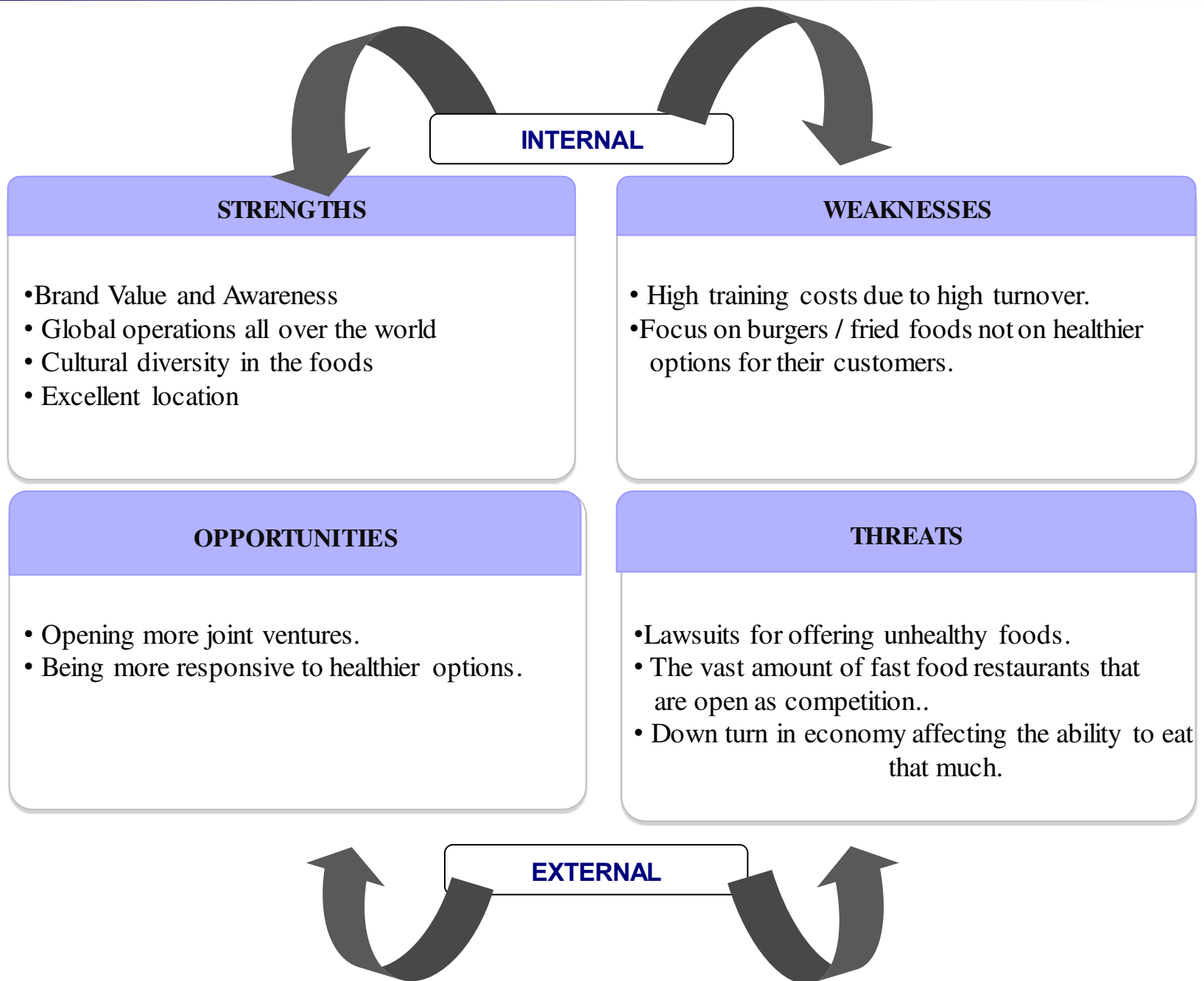
Forecasting

Example :

Mc Donald's SWOT Analysis



Mc Donald's
Worldwide :36,525 restaurants
119 Countries
Headquarter : United States





Thank You