

SWOT Analysis

A SWOT analysis is a tool to help plan for the future. It helps to find out the good and bad things about your business. It uses analyses the internal and external factors impacting your business to paint a clear picture about the current situation of the business, and what the next steps should be.

A SWOT analysis helps a business to see the facts and make decisions based on them.

A SWOT analysis has 4 components:

Internal	Strengths	Strengths are the things that a company does well and better than others: a popular brand, loyal customers, a lot of money, special technology, etc. For example, you may have a diverse skill set in your team, or have strong cashflow in your business.
	Weaknesses	Weaknesses are the things that a company does not do well or needs to fix: a weak brand, many people leaving, a lot of debt, a poor supply chain, or not enough money.
External	Opportunities	Opportunities are the good things that happen outside the company that can help it. For example, are you in a town that's population is growing. Or if you work in cyber security, there is a huge increase in awareness and need for it.
	Threats	Threats are the bad things that happen outside the company that can hurt it. For example, a dry season is a threat to a wheat company, as it may make less wheat. Other common threats are things like higher prices for materials, more competitors, fewer workers, etc.

Internal Factors	Strengths	Weaknesses
External Factors	Opportunities	Threats
	Areas for Growth	Manage the Risk