

Starting to Craft a Strategy with SWOT Analysis

SWOT Analysis is defined as a structured planning method to order to identify the *Strengths* and *Weaknesses*, and to determine both the *Opportunities* and the *Threats* one can meet. This analysis can be used both for business and for every person individually.

- *Strengths* are the person’s or business characteristics that give an advantage over others;
- *Weaknesses* are all the things that can disadvantage you comparing with others;
- *Opportunities* are everything in your environment that you can use to your advantage;
- *Threats* are environmental elements, which you cannot influence, and which cannot favour you.

In fact, it is possible to be faced with two kinds of environments: *internal* and *external*:

- *Internal environment* is the sum of the strengths and weaknesses which can be influenced and changed;
- *External environment* is the opportunities and threats which cannot be influenced and changed.

All information is recorded in the 2x2 matrix. The upper margin includes the strengths and the weaknesses (elements of internal environment), the lower one – the opportunities and the threats (elements of external environment).

Despite the simplicity of this analysis, it has been used in marketing for over 50 years and remains one of the most useful methods of marketing analysis. Originally it was applied to companies and projects, but in the short run people began to use it to detect their own advantages and disadvantages.

When working with your SWOT analysis, it is advisable to be reasonable, impartial and honest, as this may affect your future decisions on market strategy.