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## How To Do A SWOT Analysis: Strategic Planning Made Easy

“Strategic Planning” sounds a lofty pursuit and perhaps beyond our humble capabilities. Not so with a SWOT Analysis. Learn how to do a SWOT analysis using the SWOT matrix and become an effective strategic planner today, achieving your goals.

### What’s Strategic Planning Anyway?

Strategic planning is just management speak for long term future planning. Strategic planning concerns anything that will bring results in anything from 1 year to 5 years or beyond. It’s good management practice to raise your head above the daily grind every now and then, and take action now to positively affect your future.

### Definition of SWOT

As with most management models, the clue is in the name.

S = Strengths  
W = Weaknesses  
O = Opportunities  
T = Threats

### The SWOT Matrix Explained

All the best management models have four quadrants, and the SWOT matrix is no exception. You use each of the four quadrants in turn to analyze where you are now, where you want to be, and then make an action plan to get there.

# The SWOT Matrix

<b>Strength</b> <b>GOOD NOW</b> <b>Maintain, build, leverage</b>	<b>Weakness</b> <b>BAD NOW</b> <b>Remedy, stop</b>
<b>Opportunity</b> <b>GOOD FUTURE</b> <b>Prioritise, optimise</b>	<b>Threat</b> <b>BAD FUTURE</b> <b>Counter</b>

Regardless of whether you or your team are future planning for specific products, work, personal or any other area, the SWOT analysis process is the same.

## **Step 1 – In the here and now...**

List all strengths that exist now. Then in turn, list all weaknesses that exist now. Be realistic but avoid modesty!

## **Step 2 – What might be...**

List all opportunities that exist in the future. Opportunities are potential future strengths. Then in turn, list all threats that exist in the future. Threats are potential future weaknesses.

## **Step 3 – Plan of action...**

Review your SWOT matrix with a view to creating an action plan to address each of the four areas.

In summary;

- Strengths need to be maintained, built upon or leveraged.
- Weaknesses need to be remedied or stopped.
- Opportunities need to be prioritised and optimised.
- Threats need to be countered or minimised.

## **SWOT Analysis Example**

Here's one I prepared earlier...

SWOT analysis example - small internet business who employ mostly contractors

<b>Strength</b> <ul style="list-style-type: none"><li>•Low salary and benefits overheads</li><li>•Quick to respond to market changes</li><li>•No hierarchy means quick decision making</li></ul>	<b>Weakness</b> <ul style="list-style-type: none"><li>•Existing workload too great</li><li>•Project planning non existent</li><li>•Missing expertise in some areas</li></ul>
<b>Opportunity</b> <ul style="list-style-type: none"><li>•Need to increase market share</li><li>•Could convert existing products for new market</li></ul>	<b>Threat</b> <ul style="list-style-type: none"><li>•Contractors have little loyalty</li><li>•Larger competitors traditionally get majority market share</li><li>•Cost of technology investment</li></ul>

#### **Action Plan**

**Strengths** - Maintain low overheads by changing pay structure to balance basic pay with performance based bonuses

**Weakness** - Implement project planning system and follow it

**Opportunities** - Test new market with one existing product

**Threats** - Include contractors in performance based bonus scheme.

#### **Sow the seeds and reap the benefits**

And that's it! Not too complicated, I'm sure you'll agree. The SWOT matrix is a useful tool for strategic planning and achieving your goals, individually or with a team. It's easy to learn how to do a SWOT analysis – just try one out for yourself and reap the benefits.

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