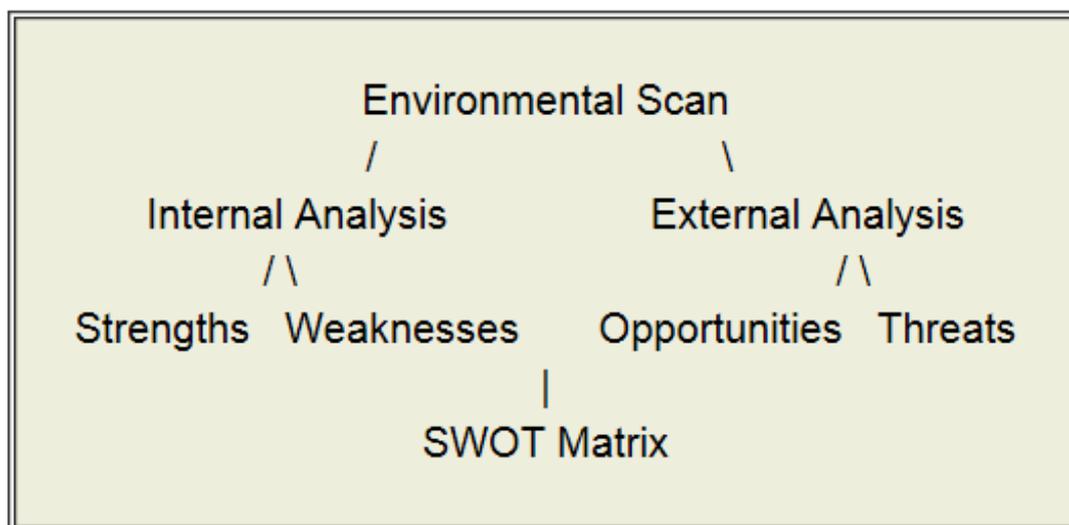


SWOT ANALYSIS

A SWOT analysis is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. A scan of the internal and external environment is an important part of the strategic planning process.

The SWOT analysis provides information that is helpful in matching the firm's resources and capabilities to the competitive environment in which it operates. As such, it is instrumental in strategy formulation and selection.

SWOT Analysis Framework



Strengths	Weaknesses
<p>Resources and capability characteristics of the business or project that give it an advantage over others.</p> <ul style="list-style-type: none"> • Patents • Strong brand names • Good reputation among customers • Cost advantages from proprietary know-how • Exclusive access to high grade natural resources • Favourable access to distribution networks 	<p>Characteristics that place the business or project at a disadvantage relative to others. This could be seen as the absence of certain strengths which may be viewed as a weakness.</p> <ul style="list-style-type: none"> • Lack of patent protection • A weak brand name • Poor reputation among customers • High cost structure • Lack of access to the best natural resources • Lack of access to the key distribution channels
Opportunities	Threats
<p>Elements that the project could exploit to its advantage. This could disclose certain new opportunities for profit and growth due to external environmental factors.</p> <ul style="list-style-type: none"> • An unfulfilled customer need • Arrival of new technologies • Relaxing of regulations • Removal of international trade barriers 	<p>Elements in the environment that could cause trouble for the business or project.</p> <ul style="list-style-type: none"> • Shifts in consumer tastes away from the firm's products • Emergence of substitute products • New regulations • Increased trade barriers

The SWOT Matirx

A company should not necessarily pursue the more lucrative opportunities. Rather, it may have a better chance at developing a competitive advantage by identifying a fit between its strengths and upcoming opportunities. In some cases, the firm can overcome a weakness in order to prepare itself to pursue a compelling opportunity.

To develop strategies that take into account the SWOT profile, a matrix of these factors can be constructed. The SWOT matrix is shown below:

SWOT / TOWS Matrix

	Strengths	Weaknesses
Opportunities	S-O strategies	W-O strategies
Threats	S-T strategies	W-T strategies

- S-O strategies pursue opportunities that are a good fit to the company's strengths
- W-O strategies overcome weaknesses to pursue opportunities
- S-T strategies identify ways that the company can use its strengths to reduce its vulnerability to external threats
- W-T strategies establish a defensive plan to prevent the firm's weaknesses from making it highly susceptible to external threats.