SWOT Analysis

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SWOT is a strategic planning tool used to evaluate the strengths, weaknesses, opportunities, and threats to a project. It involves specifying the objective of the project and identifying the internal and external factors that are favourable and unfavourable to achieving that objective. The strengths and weaknesses usually arise from within an organisation, and the opportunities and threats from external sources.

The SWOT analysis is an important part of the project planning process:

- **Strengths:** attributes of the organisation that help achieve the project objective.
- **Weaknesses:** attributes of the organisation that stop achievement of the project objective.
- **Opportunities:** external conditions that help achieve the project objective.
- **Threats:** external conditions that could damage the project.

Use the following grid to record each factor:

State Project Objective:

Strengths (internal factors)	Weaknesses (internal factors)
Track record (similar successes)	Gaps in knowledge and expertise
Resource availability	Timescale and deadlines
Skill levels	Budget and funding
Processes and systems	Competing projects
Reputation	Processes and systems

Opportunities (external factors)	Threats (external factors)
Technology and infrastructure development	Political influences
Changing consumer behaviour	Environmental factors
Emerging and developing markets	Competitor activity
New innovations (R&D)	Economy
Market demand	Seasonal effects

With a SWOT analysis it is useful to ask these questions:

- How can we use our strengths?
- How can we address each weakness?
- How can we exploit each opportunity?
- How can we guard against each threat?

Advantages of SWOT

- Simple and only costs time to do.
- Produces new ideas to help take advantage of an organisation's strengths and defends against threats.
- Awareness of political and environmental threats allows an organisation to have response plans prepared.

Disadvantages of SWOT

- May persuade organisations to compile lists rather than think about what is important in achieving objectives.
- Presents lists uncritically and without clear prioritisation so, for example, weak opportunities may appear to balance strong threats.
- Usually a simple list and not critically presented.