

SWOT analysis for an entrepreneur

SWOT analysis: Carefully inspecting the business and its environment through the various dimensions of Strengths, Weaknesses, Opportunities, and Threats.

Strengths are the company's core competencies, and include proprietary technology, skills, resources, market position, patents, and others.

Strengths: Strengths are within the control of the entrepreneur and they occur at present!

Strengths

- ✓ technical expertise
- ✓ new improvements of product
- ✓ good network with customers
- ✓ packaging
- ✓ managerial experience
- ✓ superior technology
- ✓ distribution system
- ✓ product features (utility, durability, etc.)
- ✓ comparatively cheap price

Weaknesses are conditions within the company that can lead to poor performance and can include obsolete equipment, no clear strategy, heavy debt burden, poor product or market image, weak management and others.

Weaknesses: Weaknesses are within the control of the entrepreneur; they occur at present. They are "lack of...", "missing...", or weak points.

Weaknesses

- ✓ no control over raw material
- ✓ lack of promotion experience
- ✓ limited product life
- ✓ technological obsolescence
- ✓ poor design of product
- ✓ inexperienced managers/owners
- ✓ weak selling effort
- ✓ lack of working capital
- ✓ comparatively high price
- ✓ low level of stocks in times of peak sales
- ✓ no technical expertise of owner

Opportunities are outside conditions or circumstances that the company could turn to its advantage, and could include a specialty niche skill or technology that suddenly realizes a growth in broad market interest.

Opportunities: Positive or favourable factors in the environment, mostly beyond the control of the entrepreneur.

Opportunities

- ✓ few and weak competitors
- ✓ no such products in the market
- ✓ rising income of target market
- ✓ scarcity of product in the locality
- ✓ growing demand
- ✓ favourable government policy
- ✓ similar products making profit
- ✓ favourable government programs
- ✓ technical assistance available
- ✓ low interest on loans
- ✓ access to cheap raw material
- ✓ adequate training opportunities

Threats are current or future conditions in the outside environment that may harm the company, and might include population shifts, changes in purchasing preferences, new technologies, changes in governmental or environmental regulations, or an increase in competition.

Threats: Threats are negative or unfavourable external factors in the environment and normally beyond the control of the entrepreneur.

Threats

- ✓ rising raw materials costs
- ✓ too much competition
- ✓ government bureaucracy
- ✓ restive labour force
- ✓ raw materials shortages
- ✓ piracy of skilled labour
- ✓ natural disasters
- ✓ insufficient power
- ✓ graft and corruption
- ✓ poor infrastructure
- ✓ changing government regulations
- ✓ smuggling