



Practitioner's Guide:

Strengths, Weaknesses, Opportunities & Threats (SWOT)



An example from Germany



Deutsche Gesellschaft für
Technische Zusammenarbeit
(GTZ) GmbH



Bundesministerium für
wirtschaftliche Zusammenarbeit
und Entwicklung



Strengths, Weaknesses, Opportunities & Threats (SWOT)

Example 1:

The general procedures for a SWOT analysis can be best described using an example derived from an exercise undertaken with a group of free-lance consultants who wished to expand their market potentials. The SWOT analysis encompasses two main sections.

The first part involves an analysis of **strengths and weaknesses**. The key for doing the “right thing” is competence in understanding actual and future environments, i.e. market trends and competitors moves or in the public sector (changing) demands of the target groups and interests in project sponsors. It is not always the case that this complete understanding exists and identifying weaknesses and threats may not be successful due to unwillingness of admitting these during any analytical step.

The second part involves the analysis of both **opportunities and threats**. While the above concentrated very much on internal factors, the opportunities and threats analysis examines **external factors** that affect the consultants abilities to operate efficiently and effectively. Important in this context is that the external environment has to be described in a dynamic sense by taking into account both the current situation as well as perceived future situation. In other words, the actual situation today describes the existing threats and opportunities while the perceived future trend describes the presently unexploited opportunities, potentials or chances. This approach stands in marked contrast to the strengths and weakness analysis, which looked only at a static picture of the current facts and does not involve speculation of possible future weaknesses or strengths.



Strengths, Weaknesses, Opportunities & Threats (SWOT)

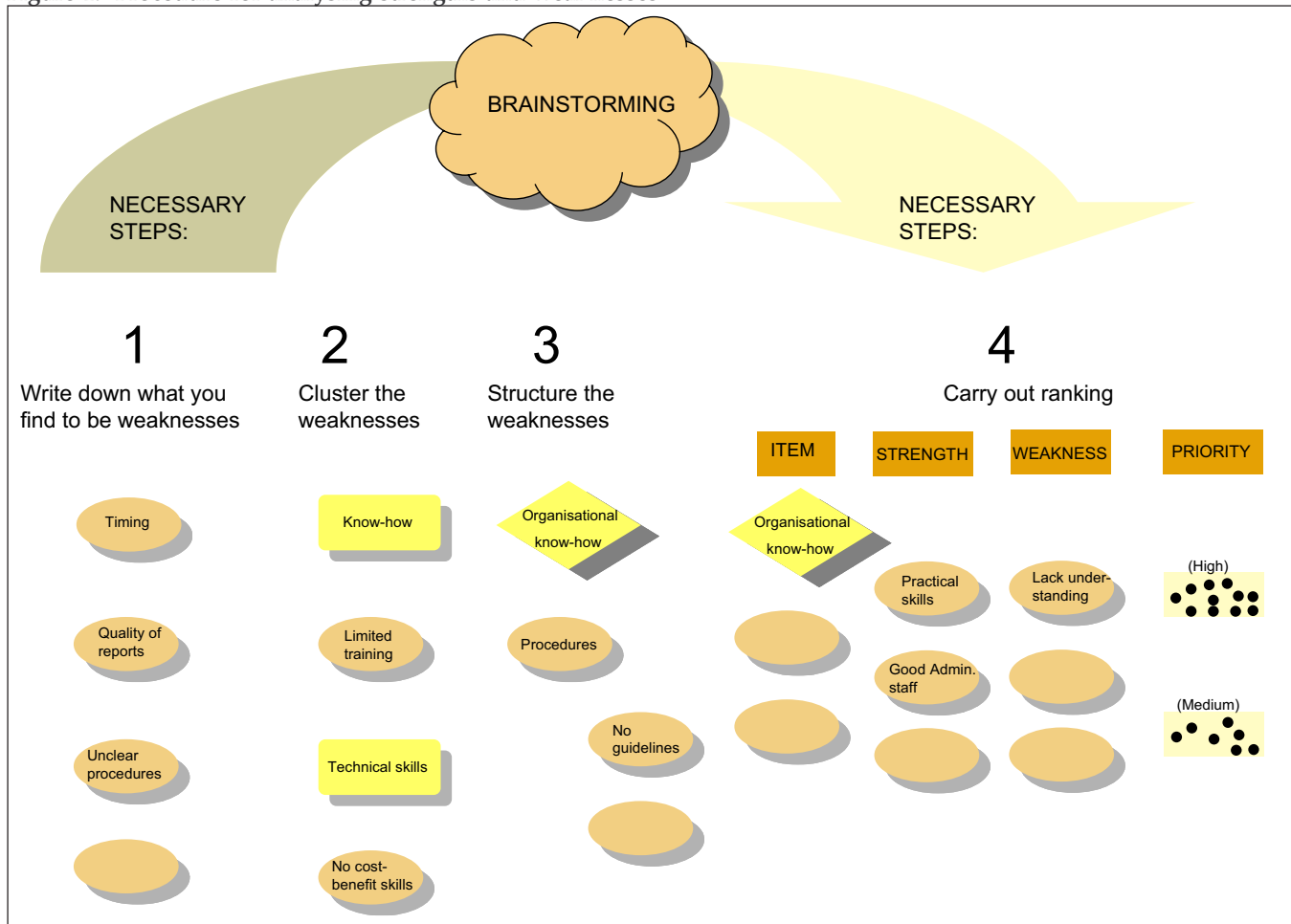


The following are the necessary steps for the strengths-weaknesses analysis:

Step 1:

- ▶ during a brainstorming session, please write down what you find to be *weaknesses* with respect to the provision of consultancy services for international organizations
- ▶ similarly, please indicate what are your *strengths* which you feel could be made effective use of or which may require additional training in order to improve and enhance them

Figure 1: Procedure for analysing strengths and weaknesses





Strengths, Weaknesses, Opportunities & Threats (SWOT)



Step 2:

- ▶ examine both the strengths and weaknesses which have been formulated by the group and identify possible categories
- ▶ it may be appropriate to further develop sub-categories which help to elaborate more precisely what is meant by the main categories which have been formed

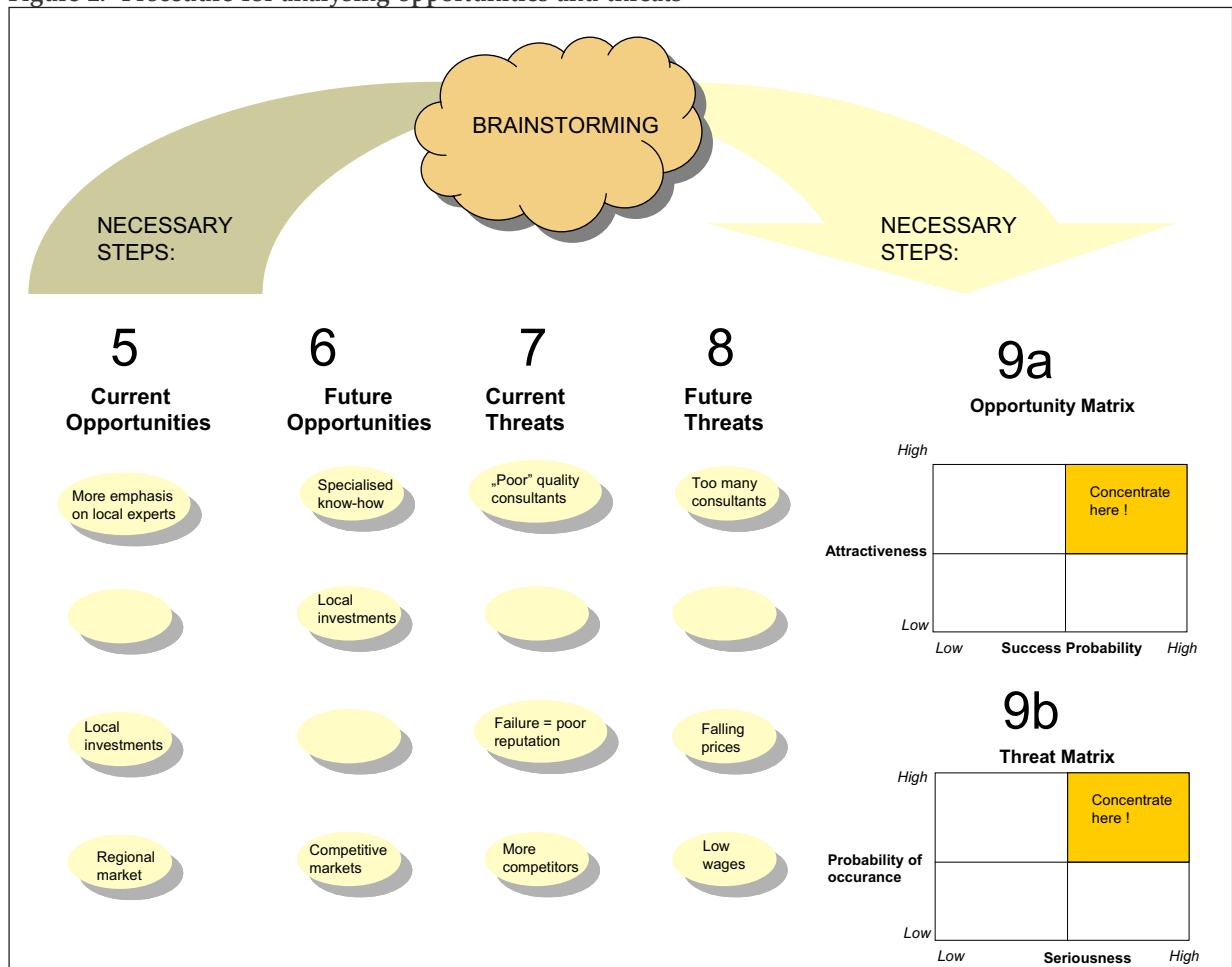
Step 3:

- ▶ structure the chart into a logical matrix based on the categories and sub-categories which you have developed
- ▶ order the matrix according to the categories by placing the strengths and weaknesses in the respective column

Step 4:

- ▶ the matrix now contains all the strengths and weaknesses, however, there is little or no indication of the *relative* importance of each of the strengths and weaknesses
- ▶ develop a short logical criteria list according to which you will prioritize the strengths and weaknesses, for example, this could be strategic importance, etc.

Figure 2: Procedure for analysing opportunities and threats





Strengths, Weaknesses, Opportunities & Threats (SWOT)



On the basis of the initial matrix which was developed for the strengths and weaknesses, the threats and opportunities can be further analysed. Once again, the basic tool for the analytical work is the brainstorming procedure, followed by clustering of the ideas which have been developed and finally, an assessment or judgement of the relevant relationships and priorities.

Step 5:

- ▶ write down all factors which you feel are *current opportunities* with respect to the provision of consultancy services for international consultancy organizations
- ▶ examine and define *potential future opportunities* which could be exploited in the future
- ▶ similarly, indicate what are the external *current threats* which you feel exist
- ▶ examine and define *potential future threats* which need to be considered and which require some form of preventative action

Step 6:

- ▶ examine both the opportunities and threats which have been formulated by the group and identify possible categories, it may be appropriate to further develop sub-categories



Strengths, Weaknesses, Opportunities & Threats (SWOT)



Step 7:

- ▶ on the basis of the information which you have collected, transfer the information into the opportunity and threats matrix
- ▶ while transferring the information, ensure that it is placed in the appropriate box (high/low: success probability, attractiveness, probability of occurrence, seriousness)

Step 8:

- ▶ place the tables on strengths/weaknesses and opportunities/threats next to each other
- ▶ carefully analyse the results of all the tables and draw your own conclusions (please note these down on a flip chart for presentation purposes)

Figure 3: Opportunities and Threats Matrix

