**What Is a SWOT Analysis?**

A SWOT analysis is the process of uncovering and examining different aspects of your business, and organizing your discoveries into a simple 2X2 grid template. Each quadrant of the grid corresponds to one letter of the acronym SWOT. The acronym stands for strengths, weaknesses, opportunities, and threats.

Here’s a breakdown of what each word means in the context of a SWOT analysis:

Strengths: Strengths are things your business is already doing well, the unique resources your team possesses, or any competitive advantages you have. Strengths are internal factors, so you can build on them and use them to your advantage.

Weaknesses: Weaknesses are areas where your business could improve, where resources are needed, or areas where your competitors are surpassing you. Weaknesses are also internal factors, so you can often address and overcome them.

Opportunities: Opportunities are areas you can take advantage of now. These could be new resources available to you, emerging trends you could lean into, or any strengths you’ve yet to adopt into your strategy. Like threats, opportunities are external factors because they’re beyond your control.

Threats: Threats are anything that could negatively impact your business from the outside or any obstacles your business currently faces. You can usually get a sense of your business’s threats or competition when you run a market analysis. As an external factor, threats are often beyond your control.

Since the information is presented in an easy-to-read grid, SWOT analyses are quick and straightforward assessments. And Once everything is organized, the condition of your business is easier to assess.

When Should I Do a SWOT Analysis?

There’s no right or wrong time to do a SWOT analysis. There are, however, times when a SWOT analysis can be particularly useful.

Here are 4 times when it’s a good idea to look inward and outward:

When internal business conditions change—Maybe you’ve got a new CEO, your business is scaling rapidly, or departments are being restructured. A SWOT analysis can provide insights that can help with transitions and adjustments.

When external market conditions change—New competitors, shifting economic conditions, regulations, and other shifts in the marketplace can leave businesses in need of reflection. A SWOT analysis can help keep you on your toes and ready to address incoming challenges.

**Before strategic planning**—Strategic planning often involves new initiatives and changes in resource allocation. Before beginning the planning process, it helps to know the current condition of your business or team so you can make forward-looking decisions.

**On a scheduled basis**—While most companies do strategic planning every few years, it won’t hurt to do a SWOT analysis on a more regular basis. A quick SWOT analysis on a quarterly or semi-annual basis will provide information you can use in the short term, and bring to the strategic planning process when it’s time.

Now that we’ve described what a SWOT analysis is and when you might want to do one, let’s look deeper at the process of creating a SWOT analysis by focusing on each quadrant.

**How to complete the 4 sections of your SWOT Matrix**

One of the true benefits of a SWOT analysis is that it’s easy to conduct. All you really need is a way to write down ideas and a willingness to look squarely at your business.

While you can conduct a SWOT analysis on your own, it helps to bring other people to the table. Brainstorming with others can help identify things you might have otherwise missed and clarify ideas that aren’t fully formed.

**The “S” in SWOT stands for strengths**

The strength quadrant of your SWOT analysis will include things your business or team is doing well. Remember, strengths are internal, so you’ll need to look inward to discover them. It’s also important to hold onto the idea that strengths are things you have control over, so you can build on them later.

**Questions to ask to uncover strengths:**

What do we do well?

What have our customers or partners told us they like about us?

In what areas do we outpace our competitors?

What’s unique about our business, products, or services?

What assets do we own? (Intellectual property, proprietary technology, capitol)

**SWOT analysis strengths examples:**

We have excellent customer support

We offer features no other company offers

Our website traffic is higher than 75% of our competitors

We’re getting great engagement with our social media marketing campaigns

The “W” in SWOT stands for weaknesses

The weaknesses quadrant of your analysis will include areas where your business or team needs improvement. Like strengths, the weaknesses section requires you to look inward. And no matter what you uncover, don’t despair! Weaknesses are things you often have control over and can improve.

**Questions to ask to uncover weaknesses:**

What can we improve?

What are our customers or partners dissatisfied with?

Where do we fall behind our competitors?

Where are we lacking in knowledge or resources?

**SWOT analysis weaknesses examples:**

Our processes are inefficient.

Our customers find our product difficult to use.

Our organic traffic is lower than our competitors.

We don’t have the resources to expand.

The “O” in SWOT stands for opportunities

The opportunities quadrant will include strategies or resources you can currently use as a business. Opportunities are not controllable by you, as they are external to your business. Knowing where the opportunities are, however, allows you to move toward them.

**Questions to ask to uncover opportunities:**

What emerging trends can we take advantage of?

Which of our strengths might be valuable to potential partners?

What adjacent markets might we tap into?

Are there geographic locations with less competition?

Can we share our story or successes with the world?

**SWOT analysis opportunity examples:**

Customers want a product similar to ours. Can we adapt to meet the need?

Our service/product fills a void they may want to fill in their company.

Nobody sells our product in Canada. Can we expand?

We just hit a major milestone. Can we get some positive press?

The “T” in SWOT stands for threats

The threats section of your SWOT analysis will include potential issues or challenges you could face as a business. Again, threats are external factors, so they’re things happening outside of your business. They aren’t controllable, but you can actively plan for them.

**Questions to ask to uncover threats:**

What is our competition doing?

How could our weaknesses leave us vulnerable?

What market trends are we unprepared for?

What economic or political issues could impact our business?

**SWOT analysis threats examples:**

Our main competitor is launching a product with similar features

Congress is discussing a bill that would impact our business

The economy is struggling to adapt to new conditions under Covid 19