

CONDUCTING A SWOT ANALYSIS

Investors, entrepreneurs, and businesses regularly need to evaluate themselves, their peer companies, or competitors. A SWOT analysis offers an efficient way to evaluate and consider a company's strengths and weaknesses. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. After completing a SWOT analysis, business owners can make more effective decisions that encourage their growth and development of their business.

A SWOT analysis focuses on both the internal and external aspects of a business. The internal aspects are a company's Strengths and Weaknesses; these include market share, the experience of the team, image, finances, distribution, and technology. The external components are the Opportunities and Threats from outside the company, which can include other markets, the larger economy, competitors, consumer tastes, technology development, and needs (Appendix A has a glossary of these terms.). After completing a SWOT analysis, a company has a much clearer picture of where they fit in the market.

In this activity, students work in small groups to conduct a SWOT analysis of a major company. The activity begins with the teacher reviewing what considerations are made when evaluating a company and then introduces the process of a SWOT analysis. By the end of the activity, students have worked through their first SWOT analysis and are ready to apply the process to businesses that interest them.

This activity is intended for advanced adult learners working in the business sector with some level of familiarity in evaluating businesses. If you and your students need additional support, please review Appendix A for definitions of terminology used in a SWOT Analysis.

LEVEL

Advanced, Adult Learners

LANGUAGE FOCUS

Writing

GOALS

During this activity, students will be able to

- Identify the components of a SWOT analysis.
- Apply the process of SWOT analysis to evaluate a company.

MATERIALS

- Computers with Internet access
- The link to or copies of a company profile (There are many available online).
- Pencils and paper

PREPARATION

- Organize students into groups of three using students' business interests. For example, students interested in technology businesses could be grouped together, students interested in science-related businesses could be grouped together, and so on.
- Print copies of the company profile you chose, or make sure that each group has access to the Internet to visit the link.
- Write the SWOT Analysis chart on the board for all students to see.

Strengths	Weaknesses
Opportunities	Threats

PROCEDURE

1. Open class by asking students this question: How would you evaluate your company in order to make good decisions for its growth and development?
 - a. Take some time for students to share their ideas and experiences.
 - b. Some students, especially those working in business, might already be familiar with SWOT analysis and may bring up the topic.
2. Explain to the class that there is a tool commonly used in business to evaluate a company, and it is called a SWOT analysis.
3. Point to the SWOT chart on the board and to each category. Ask students what each category might evaluate. What is included in strengths and weaknesses? What is considered in threats and opportunities?
 - a. As students share some of their answers, write their ideas in the corresponding areas of the chart.
 - b. Once students have shared their ideas, fill in the blanks with the following:
 - i. Strengths and weaknesses examine market share, the level of experience of the team, the company's image, finances, product distribution, and technology.
 - ii. Opportunities and threats focus on other markets, the economy, competitors, consumer tastes, technology development, and needs.
 - c. Take time to review any new vocabulary possibly unfamiliar to students by offering clear examples or eliciting definitions from students. See Appendix A for a glossary of these terms.
4. Put students into the prepared groups and explain that they will now conduct a SWOT analysis of the company you chose.
 - a. On the board, write the web address of the company profile.

- i. Note that the company profile may include a lot of detail, and students may need some instruction on navigating it.
 - b. Have students copy the SWOT analysis chart onto a piece of paper.
5. Using the information from the company profile, the groups will complete an analysis (one piece of paper per group is sufficient).
 - a. Give students about 20 minutes to complete the task (longer if needed).
6. After each group has finished their analysis, combine each group with another group.
7. Tell them the two groups will now discuss and compare their analyses.
8. In order to follow up on the activity, bring the class back together and work as a class to complete the SWOT analysis on the board for all to see.
 - a. Encourage debate about what should or should not be included.

EXTENSIONS

Extend the activity by asking students to do a SWOT analysis on a company of their choosing. In a future class or for homework, students can apply the skills they learned in the group analysis to complete an analysis on their own. If your students are working professionals, they could complete an analysis on their own company or business.

Glossary of Relevant Vocabulary

Company image: How positively or negatively the company is viewed by customers, other companies, and economists.

Competition: Other companies that work in the same industry and that compete for customers and suppliers.

Customer base: The number of people who might buy a company's product; the number of potential customers.

Experience of the team: The experience of those running a company, including their education, their experience and number of years in business, and their achievements.

Finances: Include the debts and assets owned by a company in addition to costs and revenue.

Market share: The amount of a company's sales when compared to other companies in the same industry.

Product distribution: The number of stores or areas their product or idea is available. Also, the cost and effort of getting its products to stores.

Product line: The list of products a company sells.

Technology: A broad term; examines how technology (both digital and mechanical) is used in all areas of the company and the technology that the company is developing.