

Homework/Exercise 2-5 – Answer Key: SWOT CHART

SWOT stands for: Strengths, Weaknesses, Opportunities and Threats. Businesses use many tools to gather and analyze information and a SWOT chart is easy to use.

Step 1: Review the SWOT Chart Sample at:

<http://www.visionforward.com/downloads/swotchart.pdf>.

Step 2: Complete the following questions:

- Comment on the “strengths and weaknesses” component of the chart. What information seems to be found here?

ANSWER: These are company or “internal” datapoints which refer to strengths (things the company does well) and “weaknesses” (areas where the company could improve). Using the doggie salon role play exercise as an example, a strength would be customer service (service with a smile), and a weakness would be cleanliness (hair on floor).

- Comment on the “opportunities and threats” component of the chart. What information seems to be found here?

ANSWER: These are market or “external” datapoints which refer to opportunities (in the market) and “threats” (in the market). A way to think about external factors is to ask the question “can we control it within our company?” If not...it is probably an “external” or market factor. Using the doggie salon role play exercise as an example, an opportunity would be doggie pick up and delivery for grooming, and a threat could be neighborhood kids (who could start washing dogs in addition to walking them) and the competitive dog salon.

- Comment on the “action” section of the chart. What is happening in this section?

ANSWER: In this section datapoints are being combined to drive action steps. It answers the question, “I’ve got all this data...I’ve done the market research...now what do I do with it.” It takes a fact, and turns it into an action.

- What are ways you could use a tool like this as a business owner? *(Hint to get ball rolling: Think about your business idea, and the dog salon exercise.)*

ANSWER: Overall, SWOT is a tool that allows for the gathering, analysis, and beginning of action steps...three critical steps in market research. Answers will vary. If students are looking for a way to organize data, this can be helpful. If students are looking for a method to turn facts into action, again, the SWOT chart and other tools can help. Overall, tools such as a SWOT chart can help inform business decisions. Also, in doing a SWOT chart with staff...everyone is on the same page about what is going on in the company and the market. (Analogy: When you have a marching band, you expect them to head in the same direction. If there is no set path, they would go in their own direction.)