Your First Step Toward Business Growth in 2019: SWOT Analysis

In my last column I focused on getting your business well positioned for 2019. I suggested that the first step in developing a 5-Year Plan for your business was to “First, take stock of how your business is doing today. Gather your business mission and vision statements, your business plan (no matter how outdated it might be), your sales data and your financial records. Do a SWOT analysis to pinpoint your business’s strengths and weaknesses, as well as the opportunities and threats facing it from the industry, the economy and the competition.” In response to this suggestion, I got good advice from some CEOs who suggested I “put more meat” on the SWOT part and give an example of how that can work.

Choosing the right direction for the future of your company can be a daunting task. Should you add services? Is your team staying competitive? How can you improve cash flow?

All of these questions and more can be answered by performing a regular SWOT analysis.

This simple strategic planning technique can help you identify what your business is doing well, what it needs to improve, where it needs to grow, and what could be its undoing.

What is a SWOT Analysis?

SWOT stands for strengths, weaknesses, opportunities and threats. Taking a deep look into your business by examining these four elements will provide you with an overview of the health of your company. Your strengths and opportunities offer avenues for your company to flourish, while your weaknesses and threats can inspire improvement and help you recognize emerging competition.

It’s likely that you completed a SWOT analysis in the beginning stages of your business plan to help determine where you stood in the market and identify target customers. Now that your business is established, it’s imperative to conduct regular SWOT analyses to help improve your operations and systems and stave off problems.

So, how can you get started with a SWOT Analysis? The most vital step in conducting your SWOT analysis is determining what your strengths, weaknesses, opportunities and threats are, but sometimes they can be hard to narrow down. Here are some examples of one company’s process notes to help you get started:
**Strengths**
- Superior customer service
- Excellent communication to clients
- Highly educated team

**Weaknesses**
- Employees lack necessary skills
- Limited staff resources
- Unfriendly employees

**Opportunities**
- Start a new product line
- Develop a team atmosphere
- Target a new demographic

**Threats**
- Employee pushback on new policies
- New competitors with lower prices
- Expenses from transitioning to a new location

Narrowing in on what your company truly succeeds in and needs to improve upon will help it flourish if you work towards the goals you set after the analysis.

**How a SWOT Analysis Can Help Your Business Grow?**

There are many resources out there to help you with your SWOT analysis, such as SCORE’s SWOT analysis checklist. Your responses to each of the 48 questions on the checklist can help you define short- and long-term goals for your business and determine the action steps necessary to reach those goals.

Here are some questions you can ask yourself during your SWOT analysis:
- “Do I have a well-known brand?”
- “What complaints do I often hear from customers?”
- “How does local, state and national government affect my business?”
These are all questions you may not have asked when conducting your initial standard SWOT analysis, but they’re beneficial to help you look deeper into how your company can grow and improve.

Don’t forget to look at external factors, such as the lending environment, the housing market or inflation. Taking these factors into consideration will help you conduct a thorough SWOT analysis.

Growth opportunities may not always be obvious. Sometimes the answer isn’t to expand locations or launch a new product. Sometimes, growth comes from expanding on smaller initiatives like hiring an assistant or investing in tools or subscriptions to help your team’s productivity. Focusing on SWOT areas will allow you to get to the bottom of trouble spots and give your business the best opportunity for growth.

Don’t think of your SWOT analysis like a re-brand or a remodel for your business. Think of it as checking the route on a map. Conduct a SWOT analysis once every six months to determine whether to correct or stay the course. The answers may cause you to want to implement a growth plan immediately, but in some cases waiting a few months or years can offer greater stability.

If you’re feeling overwhelmed with the goals you have set for your business, that’s okay. Your SCORE mentor can help you determine the best action steps for your business and help you conduct a thorough SWOT analysis to make sure your business is always improving.

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