



This article on **SWOT analysis** is a **stub**. You can help the Foresight Wiki by [expanding it](#) with new sections on the usage of this method in foresight exercises.

SWOT analysis is an analytical method, which is used to identify and categorise significant internal factors (i.e. strengths and weaknesses) and external factors (i.e. opportunities and threats) an organisation faces.

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The FOR-LEARN Guide to SWOT Analysis

This is a summary of the article on SWOT Analysis from the FOR-LEARN guide. To read the full article go [here](#).

Overall description

SWOT analysis is an analytical method which is used to identify and categorise significant internal (Strengths and Weaknesses) and external (Opportunities and Threats) factors faced either in a particular arena, such as an organisation, or a territory, such as a region, nation, or city. It provides information that is helpful in matching the firms' resources and capabilities to the competitive environment in which it operates and is therefore an important contribution to the strategic planning process. It should not be viewed as a static method with emphases solely on its output, but should be used as a dynamic part of the management and business development process.

SWOT analysis involves the collection and portrayal of information about internal and external factors that have, or may have, an impact on the evolution of an organisation or business. Strategic logic requires that the future pattern of actions to be taken should match strengths with opportunities ward off threats and seek to overcome weaknesses.

SWOT analysis is not necessarily a Foresight approach but can be a good starting point for the discussions in Foresight. Another possibility is matching your own strengths and weaknesses against different Foresight results. The different viewpoints can be a starting point for a discussion of the real threats and opportunities.

Approach (Step-by-step Guide)

The set of questions that needs to be answered should be similar to the following:

Strengths

- What are your advantages?
- What do you do well?
- What relevant resources do you have access to?
- What do other people see as your strengths?

In looking at your strengths, think about them in relation to your competitors - for example, if all your competitors provide high quality products, then a high quality production process is not a strength in the market, it is a necessity.

Weaknesses

- What could you improve?
- What do you do badly?
- What should you avoid?

Again, consider this from an internal and external viewpoint: Do other people seem to perceive weaknesses that you do not see? Are your competitors doing any better than you? It is best to be realistic now, and face any unpleasant truths as soon as possible.

Opportunities

- Where are the good opportunities in front of you?
- What are the interesting trends you are aware of?

Useful opportunities can come from such things as:

- Changes in technology and markets on both a broad and narrow scale
- Changes in government policy related to your field
- Changes in social patterns, population profiles, lifestyles, etc.
- Local Events

A useful approach to looking at opportunities is to look at your strengths and ask yourself whether these open up any opportunities. Alternatively, look at your weaknesses and ask yourself whether you could open up opportunities by eliminating them.

Threats

- What obstacles do you face?
- What is your competition doing?
- Are the required specifications for your job, products or services changing?

Practices:SWOT_Analysis

- Is changing technology threatening your position?
- Do you have bad debt or cash-flow problems?
- Could any of your weaknesses seriously threaten your business?

Carrying out this analysis will often be illuminating - both in terms of pointing out what needs to be done, and in putting problems into perspective.

Pros and cons

The success of this method is mainly owed to its simplicity and its flexibility. Its implementation does not require technical knowledge and skills. SWOT analysis allows the synthesis and integration of various types of information which are generally known but still makes it possible to organise and synthesise recent information as well.

It is worth pointing out that whereas SWOT analysis is often not seen strictly speaking as a Foresight method, it is fruitful to consider it from this perspective. Indeed, Foresight is particularly useful for addressing the OT dimensions, whereas SWOT analyses often fail because of poor examination of OT (opportunities and threats).

A correlation is made between the internal factors, strengths and weaknesses of the organisation, and the external factors, opportunities and threats. An effort can be made to exploit opportunities and overcome weaknesses and at the same time for the organisation to protect itself from the threats of the external environment through the development of contingency plans.

The most common drawbacks of SWOT analysis are:

- The length of the lists of factors that have to be taken into account in the analysis;
- Lack of prioritisation of factors, there being no requirement for their classification and evaluation;
- No suggestions for solving disagreements;
- No obligation to verify statements or aspects based on the data or the analysis;
- Analysis only at a single level (not multi-level analysis);
- No rational correlation with the implementation phases of the exercise.

Moreover, there are risks of:

- Inadequate definition of factors;
- Over-subjectivity in the generation of factors (compiler bias);
- The use of ambiguous and vague words and phrases.

One has to be aware that this method is very commonly used by consulting firms and that for this reason some people in the public/quasi-public sector have an aversion to it.

"Is it for me?" - Checklist

You should use SWOT analysis if:

- You need to identify the strengths and weaknesses of your organisation, sector, area, region, country, etc;
- You need to identify what are the main threats and opportunities faced by your your organisation, sector, area, region, country, etc;

Practices:SWOT_Analysis

- You need to decide what are the most appropriate methods and tools to be used for the implementation of a foresight exercise.

SWOT analysis is a framework for analysing your strengths and weaknesses, and the opportunities and threats you face. This will help you to focus on your strengths, minimise weaknesses, and take the greatest possible advantage of opportunities available.

See also

Environmental Scanning & Monitoring

System Dynamics

Structural Analysis

Agent Modelling

Trend Intra & Extrapolation

Modelling & Simulation

Gaming

Creativity Methods

Expert Panels

Delphi survey

Backcasting

S&T Roadmapping

Critical & Key Technology Study

Scenario Building

Morphological Analysis & Relevance Trees

Cross-Impact Analysis

Multi-Criteria Analysis