

## SWOT ANALYSIS ASSIGNMENT

### I. What is SWOT Analysis?

#### SWOT Analysis

**SWOT** is an acronym for **S**trengths and **W**eaknesses of an organization's internal capabilities and **O**pportunities and **T**hreats in the organization's external environment. **SWOT analysis** enables managers to develop a strategic profile of the organization based on information they have collected. SWOT analysis assumes that an organization will achieve strategic success by maximizing strengths and opportunities and minimizing weaknesses and threats. Figure 6-2 lists key questions to guide managers in a SWOT analysis.

Figure 6-2

#### QUESTIONS FOR CONDUCTING A SWOT ANALYSIS

INTERNAL	
Strengths	Weaknesses
A distinctive competence?	No clear strategic direction?
Adequate financial resources?	A deteriorating competitive position?
Good competitive skills?	Obsolete facilities?
Well thought of by buyers?	Subpar profitability?
An acknowledged market leader?	Lack of managerial depth and talent?
Well-conceived functional area strategies?	Missing any key skills or competencies?
Access to economies of scale?	Poor track record in implementing strategy?
Insulated from strong competitive pressures?	Plagued with internal operating problems?
Technology leader?	Vulnerable to competitive pressures?
Cost advantages?	Falling behind in research?
Competitive advantages?	Too narrow a product line?
Product innovation abilities?	Weak market image?
Proven management?	Competitive disadvantages?
Other?	Below-average marketing skills?
	Unable to finance needed changes in strategy?
	Other?
EXTERNAL	
Opportunities	Threats
Serve additional customer groups?	Likely entry of new competitors?
Enter new markets or segments?	Rising sales of substitute products?
Expand product line to meet broader range of customer needs?	Slower market growth?
Diversify into related products?	Adverse government policies?
Vertical integration?	Growing competitive pressures?
Ability to move to better strategic group?	Vulnerability to recession and business cycle?
Complacency among rival firms?	Growing bargaining power of customers or suppliers?
Faster market growth?	Changing buyer needs and tastes?
Other?	Adverse demographic changes?
	Other?

Source: Adapted from A. A. Thompson, Jr., and A. J. Strickland, *Strategic Management: Concepts and Cases* (Plano, TX: Business Publications, Inc., 1984), 179. Reproduced with permission.



**Strengths.** A strength is a positive internal condition that provides the organization with an advantage relative to competitors. An organizational strength is a distinctive competence, resource, or skill that provides the organization with a competitive advantage in the marketplace. Access to higher quality materials, good financial relations, a strong image, exclusive ownership of patents, extensive distribution channels, or highly talented managers are all strengths that an organization may hold over its competitors.

**Weaknesses.** A weakness is a negative internal condition that can lead to a lowering of organizational performance. A weakness can be the result of an absence of necessary resources or skills, or a deficiency in the development of necessary resources and skills. Managers with inadequate strategy skills, overextended credit accounts, poor product image, outdated machinery, or poor plant locations can be weaknesses for an organization.

**Opportunities.** An opportunity is a current or future condition in the environment that is favorable to an organization's current or potential output. Favorable conditions may consist of changes in laws that give the organization a competitive edge, a growing number of customers, introduction of new technologies that the organization can easily exploit, improved relationships with suppliers, and so forth. Opportunities should not be examined solely in light of current conditions, but rather in terms of their long-range effects on organization activities.

**Threats.** A threat is a current or future condition in the environment that is unfavorable to an organization's current or potential output. Unfavorable conditions may consist of entry of a powerful competitor into the organization's market, a decline in numbers of customers, introduction of new technologies that would make existing products obsolete, passage of regulations that would constrain an organization's ability to compete, or problems locating reliable suppliers.

Upon completion of a SWOT analysis, managers are ready to evaluate their organization's existing position and make adjustments that will better prepare the organization for the future. Managers can compare external opportunities and threats with internal strengths and weaknesses by matching their position on all four analyses. Four quadrants can be used to identify how an organization can be situated from a SWOT analysis.

**Quadrant I.** Quadrant I is where an external opportunity matches with an internal strength. With the rapid demand for home computers in the late 70s and early 80s, IBM was able to exploit this opportunity with the existing strengths of workers skilled in the development

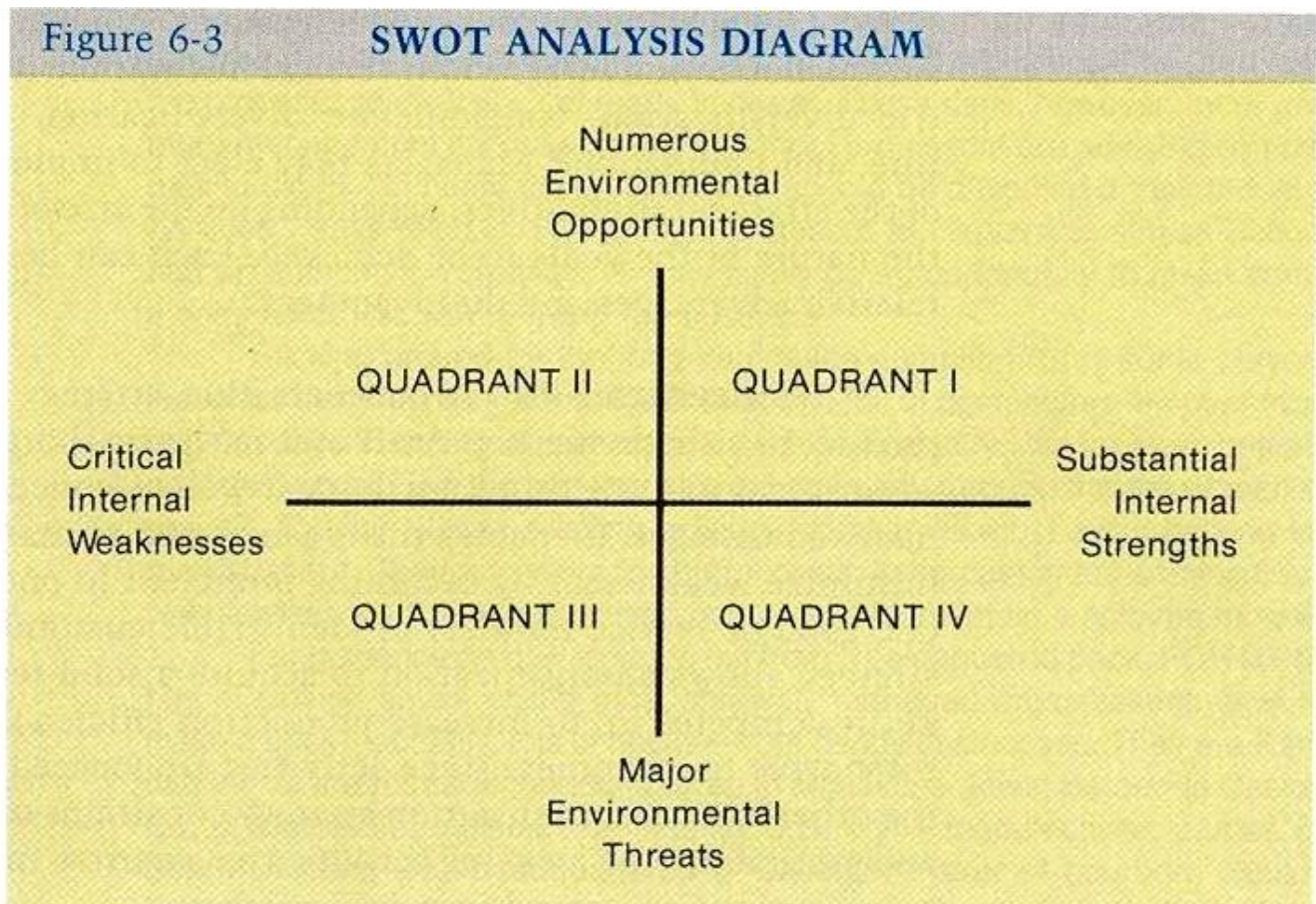
and production of computer products and a strong image for producing quality computer products.

**Quadrant II.** Quadrant II is the result of an organization's inability to exploit an external opportunity because of an internal weakness. Managers of the organization recognize that the opportunity exists, but they are unable to act due to a lack of necessary skills or resources. Atari recognized the external opportunity that demand for home computers offered. However, the firm lacked the necessary skills and resources to change from a company that used computer technology for producing graphic displays to one that would manipulate sophisticated information (e.g., word processing and statistics).

**Quadrant III.** Quadrant III occurs when an external threat is positioned to undercut an organization by taking advantage of an internal weakness. The influx of small foreign automobiles into the U.S. market in the early 1980s was a major threat to U.S. automobile manufacturers. Chrysler Corporation suffered profit losses for several years because the firm lacked the necessary skills and resources to produce a small and efficient automobile that could compete with foreign manufacturers. As a result, Chrysler nearly went bankrupt.

**Quadrant IV.** Quadrant IV represents a situation in which external threat can cause damage to an organization's strength. Gillette was a leader in the production and marketing of shaving razors which were the strengths of the organization. However, the introduction of plastic disposable razors by Bic caused serious damage to the firm as consumers turned to a cheaper and more convenient product.

Figure 6-3 illustrates these four situations that can result from a SWOT analysis. SWOT analysis is useful for strategic planners in a variety of ways. First, it provides managers with a logical framework for assessing their organization's current and future position. Second, from this assessment, managers can identify a set of alternative strategies that would be most appropriate for their situations. And finally, the SWOT analysis can be conducted periodically to inform managers as to what external and internal areas have either increased or decreased in importance to the organization's activities. Ultimately, of course, SWOT analysis should lead to improved organizational performance. Not until Chrysler Corporation conducted a SWOT analysis after near bankruptcy did managers fully understand what environmental threats and internal weaknesses faced them. The SWOT analysis enabled Chrysler's management to reassess its situation clearly and turn the company around successfully.



**II. Your tasks**

1. Form teams of up to 5 students.
2. You should read the full texts of the SWOT analysis of Google (AKA Alphabet) from the following URLs:
  - <http://obvious-stock-picks.blogspot.bg/2015/01/swot-analysis-for-google-for-2015.html#!/2015/01/swot-analysis-for-google-for-2015.html>
  - <https://sites.google.com/a/email.vccs.edu/bus100mawan/swot-analysis>
  - <http://www.fool.com/investing/general/2015/07/03/swot-analysis-of-google-inc.aspx>
3. In the case studies the short versions of the SWOT analysis is already made (identified are the Strengths, the Weaknesses, the Opportunities, the Threats of Google and there are even some explanations and argumentations).
4. Your task is to make the extended (combinatory) SWOT analysis, which identifies and explains the combinatory effects of every group of SWOT items for the company and should include some prescriptions for the company strategy.

**Extended SWOT-resume**

	Strengths: 1) ..... 2) ..... 3) ..... 4) .....	Weaknesses: 1) ..... 2) ..... 3) ..... 4) .....
Opportunities: 1) ..... 2) ..... 3) ..... 4) .....	Combined Opportunities/Strengths: 1) ..... 2) ..... 3) ..... 4) .....	Combined Opportunities/Weaknesses: 1) ..... 2) ..... 3) ..... 4) .....
Threats: 1) ..... 2) ..... 3) ..... 4) .....	Combined Threats/Strengths: 1) ..... 2) ..... 3) ..... 4) .....	Combined Threats/Weaknesses: 1) ..... 2) ..... 3) ..... 4) .....

5. Your solution to the assignment may include (the following list is not exhaustive):
  - a. Additional facts, events, data enriching the case study about Google (if you think they are necessary to better understand the case).
  - b. A table form with the brief statements in each category (SWOT-resume, see above)
  - c. Extended argumentation and explanation about each brief statement
  - d. Additional annotated links with interesting educational materials on the topic of SWOT analysis, company environment, internal (intrinsic) features of the company, etc.
6. Some examples for the assignment are [available here](#)...
7. As an additional opportunity there is a special bonus if you device a way to quantify your analysis. Some ideas for possible ways to do so you can see in the links:
  - [http://www.mindtools.com/pages/article/newSTR\\_89.htm](http://www.mindtools.com/pages/article/newSTR_89.htm) (the "standard" way of doing the SWOT analysis, extended with method for quantifying the elements).
  - <https://conceptdraw.com/a222c3/preview--Ansoff%20product%20market%20-%20positioning%20matrix> (a very informative and useful for comparison way to visualize the outcomes of SWOT analysis).
  - <http://www.maxi-pedia.com/SWOT+analysis+matrix+method+model> (turn your attention especially to the section "What is the next step in SWOT analysis?" and read about IFE and EFE, among other possibilities).
  - <http://gse.vsb.cz/2012/LVIII-2012-2-23-31.pdf> (an article on quantifying SWOT, the appendix is self-explanatory).
  - <http://download.portalgaruda.org/article.php?article=11360&val=853> (a simple statistical approach to evaluating IFE and EFE).
  - [http://www.academicjournals.org/article/article1380639652\\_Ommani.pdf](http://www.academicjournals.org/article/article1380639652_Ommani.pdf) (a bit more sophisticated approach to quantifying SWOT with the main addition of explaining a chart visualization).
  - <http://202.114.89.60/resource/pdf/2034.pdf> (although it looks like something out of a math textbook, this article is in essence very easy to understand, while explains SWOT chart and possibility to compare among different competitors).



### III. Remarks on delivery:

1) There is no strictly required form of the solution – so it may be in text format, presentation, website, video, etc. If you think that there is a chance that the format you are using is not widely available, please make sure to save it in different versions so that any evaluator could open it easily.

2) Make sure that you add a list of the authors AND their fac. numbers to your assignments. Whoever is NOT in the list (i.e. is “fired”) does NOT earn any point for the assignment. The team with the most fired people receives a bonus for being good at disciplining the team members.

3) Archive ALL your files to RAR or ZIP and name the archive as your team code e.g. “X05.rar”, even if you have prezis, or videos). Your file should be less than 100 MB, but have in mind that larger files would take longer to upload.

4) You should deliver your solution no later than the set deadline on the following URL:  
<https://www.dropbox.com/request/ufnYqmAKfz0gi0ZP1Pnp>

5) You should fill-in both fields for “First name”, “Last name” as the code of your team

6) In case of any issues, send me a message immediately, so that we figure out a solution.

### IV. Evaluation criteria of the assignment:

1. Looks & formatting (0-2 points)

- Functional aesthetics (0-1 points)
- Logical framework (0-1 points)

2. Correct methodology & participation (0-4 points)

- Participation (0-1 points)
- Extended SWOT resume (0-1 points)
- Detailed combinations (0-2 points)

3. Systematic analysis (0-4 points)

- Proven in-depth arguments (0-2 points)
- Discovered relations & additional info (0-2 points)

4. Bonus effort (0-2 points)\*

- Useful & original ideas
- Useful texts
- Useful annotated links
- Useful video

5. Special bonus (0-3 points)

\* The bonus points are given for extra effort, which results in original contribution to the educational process, with the relation to this or other connected cases. On some occasions the total bonus may sum up to more than 2 points. On some even more extraordinary occasions the given bonus may be given as outside points (in the column “Additional”).