Module 5: Internal Scanning Part 1- SWOT ANALYSIS

C-AE24 STRATEGIC BUSINESS ANALYSIS

Strengths, Weaknesses, Opportunities, Threats

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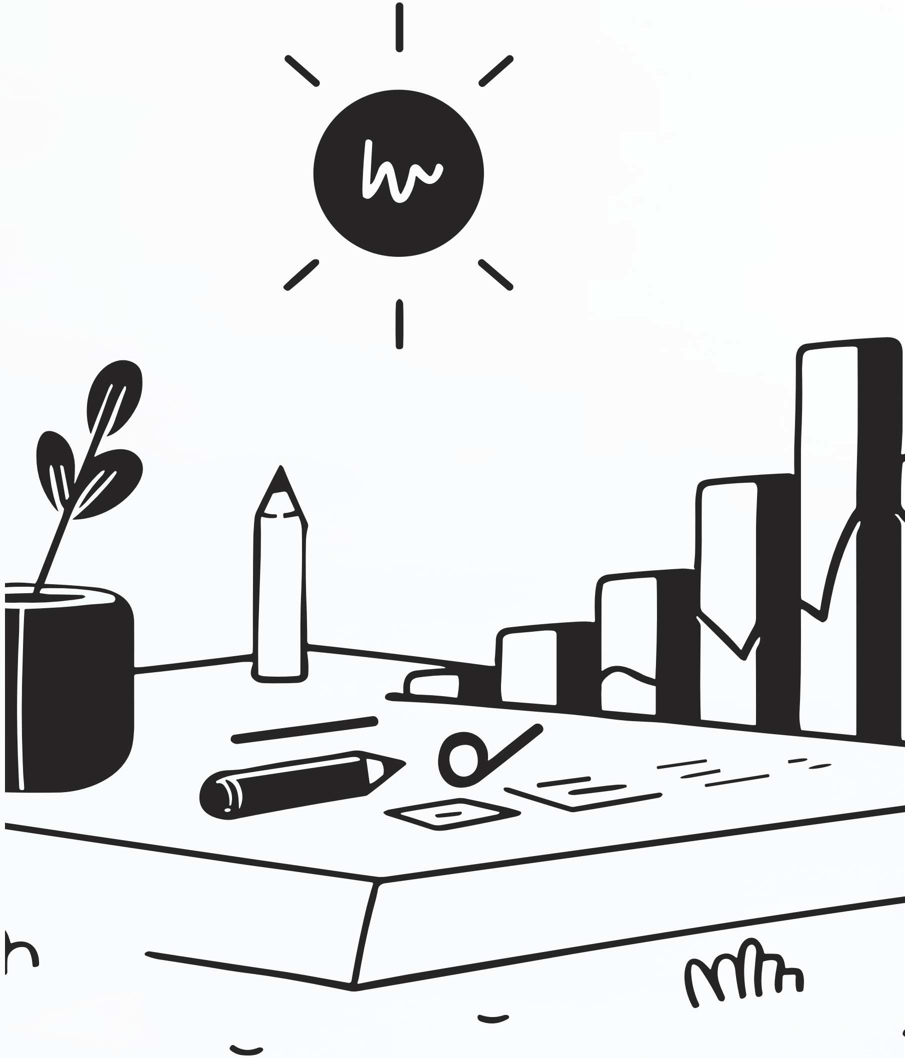


Learning Outcomes

What You Will Learn Today

By the end of this presentation, you will be able to:

1	**Trace Origins** Understand why SWOT was created and how it began.
2	**Differentiate Factors** Separate internal factors from external factors.
3	**Identify and Validate** Spot real capabilities and market dynamics using evidence.
4	**Formulate Strategies** Turn SWOT into SO, WO, ST, and WT actions.

Where Did SWOT Come From?

The Origins of SWOT Analysis

The Research

SWOT Analysis emerged in the **1960s and 1970s** at the Stanford Research Institute, led by **Albert Humphrey** and his team.

It came from research into why corporate planning often failed in large, well-funded American companies.

The Discovery

Planning focused on what organizations **wanted to do**, not what they could actually **do** or what the outside world offered or threatened.

The Response

SWOT answered that gap by combining capability and context in one clear framework.

The Core Idea

What Is SWOT Analysis?

A Complete and Honest Picture

SWOT Analysis helps organizations understand their position before deciding where to go next.

Four Dimensions

It examines internal **Strengths** and **Weaknesses**, plus external **Opportunities** and **Threats**.

The Integrating Framework

In consulting, SWOT combines tools like PESTEL and Porter's Five Forces into a clear decision-making map.

Internal vs. External

The Two Dimensions of SWOT

SWOT Analysis rests on two key distinctions. This matters because internal issues and external conditions require different strategies.

Internal Factors

Things **within** the organization's control.

- **Strengths** — advantages to leverage
- **Weaknesses** — limits to address

Because these are controllable, you can act directly to improve them.

External Factors

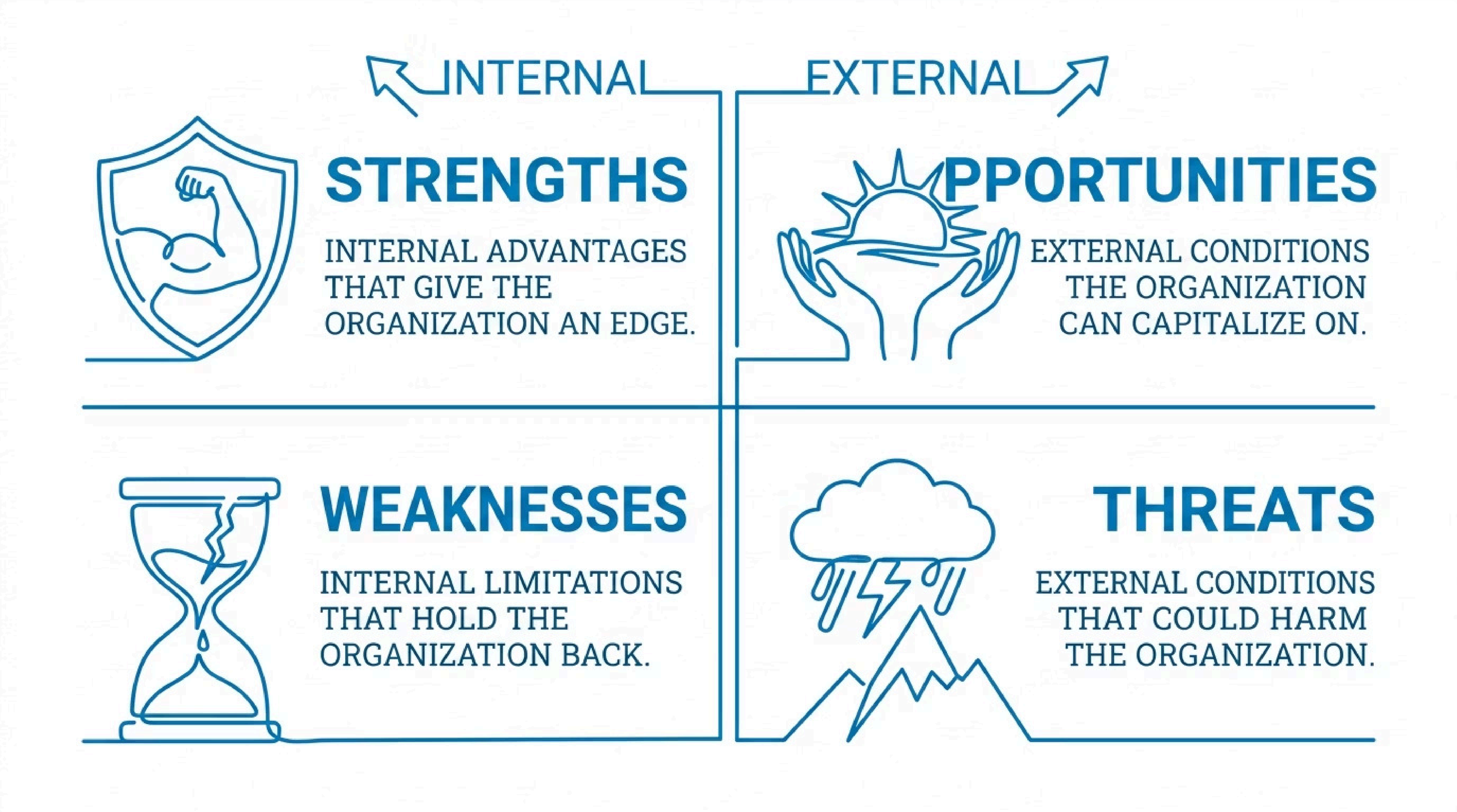
Conditions in the **outside world** you can't directly control.

- **Opportunities** — favorable conditions to use
- **Threats** — adverse conditions to prepare for

Because these are outside your control, strategy focuses on response and positioning.

The Four Quadrants

The Four Elements of SWOT



SWOT organizes strategy into four categories—two internal, two external—so leaders can assess their position before deciding.

Who Uses SWOT Analysis?

SWOT Across Many Fields

Businesses

Plan launches and expansion into new markets.

Startups

Test ideas before investing resources.

Nonprofits

Assess programs and funding opportunities.

Governments

Guide policy, infrastructure, and priorities.

Sports Teams

Review strengths, weaknesses, and competition.

Individuals

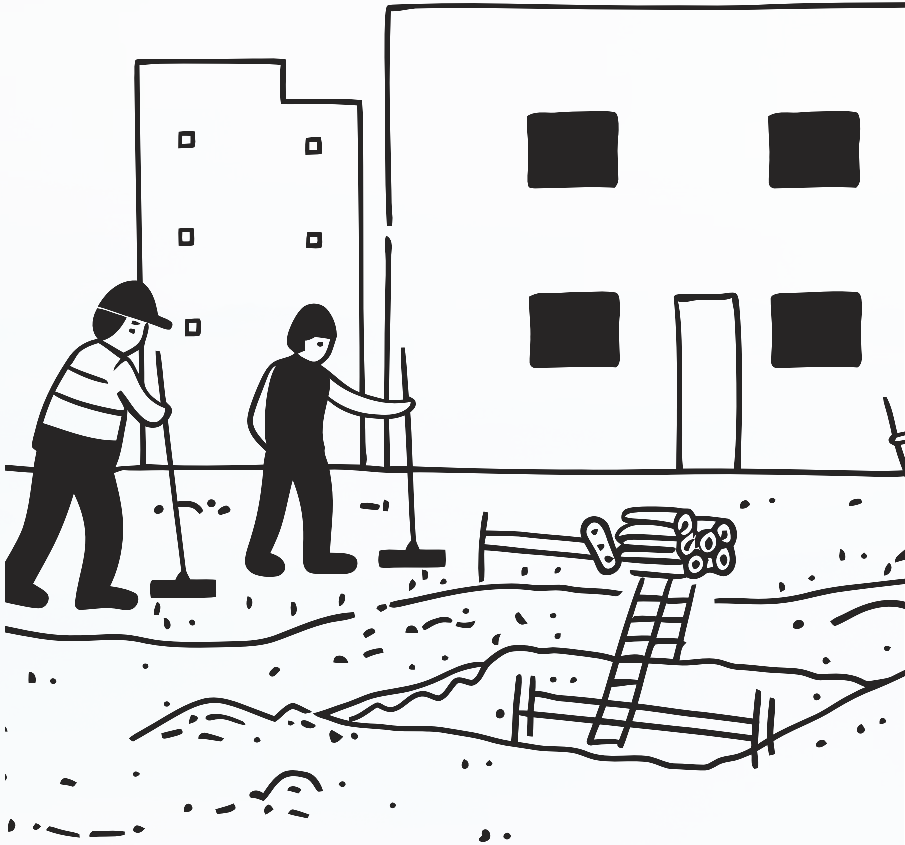
Plan careers and personal growth.

SECTION 1 OF 4

S

Strengths

What your organization does well.



Strengths Defined + Types

What Are Strengths and What Counts?

Strengths are the **internal resources and capabilities** that create a real competitive advantage. They are areas where the organization excels or has assets others lack.

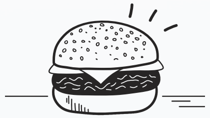
True strengths require **evidence**: retention data, pricing power, benchmarks, or third-party validation — not just internal opinion.

Common Types of Strengths

- Strong brand recognition and loyalty
- Proprietary technology, patents, or processes
- Skilled, experienced workforce
- Financial stability and capital access
- Efficient operations and supply chain
- Strong partner or distributor relationships

Strengths: Examples and Key Questions

Strengths in Action and How to Find Them



Jollibee

Strong cultural connection with Filipino consumers — hard for foreign competitors to match.

Apple

Integrated hardware/software ecosystem that drives switching costs and premium pricing.

SM Investments

Scale across retail, banking, and real estate creates advantages smaller rivals can't match.

Discovery Questions

What do we do better than competitors, and what's the **evidence**?

What unique resources or capabilities are **costly to replicate**?

What do customers consistently **praise, return for, or pay more for**?

What advantages do we have in **talent, technology, or brand**?

SECTION 2 OF 4

W

Weaknesses

Internal limits that slow you down

Weaknesses Defined + Types

What Are Weaknesses and What Counts?

Weaknesses are **internal factors** that put an organization at a disadvantage. Honest recognition is a key, but difficult, part of SWOT.

⚠ Organizations that **ignore weaknesses** stay exposed, and the cost grows over time. Denial is not a strategy.

Common Types of Weaknesses

- → Limited cash or financial resources
- → Outdated technology or infrastructure
- → High turnover or skills gaps
- → Weak brand recognition or reputation
- → Dependence on one product, customer, or supplier
- → Weak online presence or slow decisions

Weaknesses: Examples and Key Questions

Weaknesses in Action and How to Surface Them

Traditional Print Media

Slow to adapt to digital disruption, weakening adaptability and hurting many once-dominant publishers.

Nokia

Missed the smartphone shift, losing market lead due to weak foresight and agility.

Discovery Questions

Where do we **underperform** versus competitors?

What do competitors have that **we lack**?

What do customers **complain about** most?

What internal processes **slow us down** or cost too much?

If we could fix **one thing** with unlimited resources, what would it be?

SECTION 3 OF 4

O

Opportunities

External conditions your organization can use

Opportunities Defined + Types

What Are Opportunities and What Counts?

Opportunities are **external factors** the organization can use to its advantage. They come from market growth, competitor weakness, new technology, regulation, or social trends.

An external development becomes a **real opportunity** only when the organization has the strengths to act on it.

Common Types of Opportunities

- Emerging markets or underserved segments
- Shifts in consumer preferences
- New technologies that cut costs or enable new models
- Competitors weakening or leaving the market
- Favorable regulatory changes
- Partnership or acquisition opportunities

Opportunities: Examples and Key Questions

Opportunities in Action and How to Find Them

E-Commerce Boom in Southeast Asia

Digital commerce grew fast, rewarding businesses with early digital capabilities.

Philippine BPO Industry

English skills, Western alignment, and low labor costs built a global industry.

Discovery Questions

What **macro-environmental trends** can we benefit from?

What **unmet customer needs** can we address?

Which competitors are **weakening**, and what are they leaving open?

What **regulatory changes** could create new opportunities?

What **partnerships or acquisitions** could speed growth?

SECTION 4 OF 4

T

Threats

External conditions that could hurt your organization

Threats Defined + Types

What Are Threats and What Counts?

Threats are **external factors** that can hurt the organization's performance, position, or survival. They come from outside the organization and can't be directly controlled.

Identifying threats is **not about causing anxiety**—it's about helping the organization prepare before damage happens.

Common Types of Threats

- Rising competition that reduces market share and pricing power
- Changing customer preferences away from current offerings
- Economic downturns that cut spending while costs stay fixed
- Regulatory shifts that change industry economics
- Technological disruption that makes products or models obsolete
- Reputational damage from failures or data breaches

Threats: Examples and Key Questions

Threats in Action and How to Assess Them

Grab vs. Traditional Taxis

Grab threatened taxi operators that failed to adapt, showing the impact of disruption.

COVID-19 Pandemic

Wiped out tourism, hospitality, and event revenue overnight, showing how one event can reshape industries.

Discovery Questions

Who are our most **dangerous competitors**?

What trends are **undermining** our model?

What economic or regulatory changes could **raise costs**?

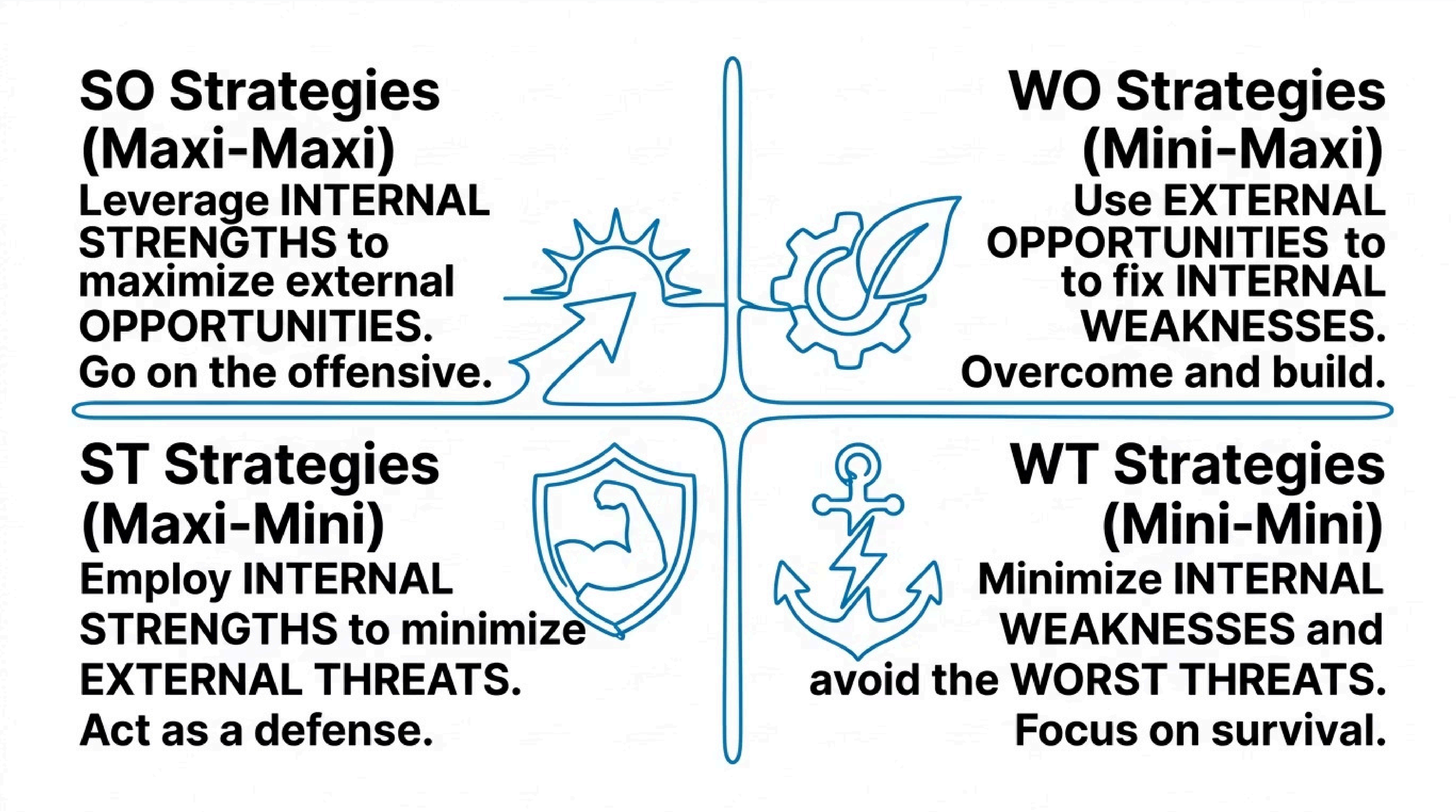
Could any technology make our offering **less relevant**?

What **single event** could hit us hardest?

From SWOT to Strategy

Turning SWOT Into Action

A completed SWOT points to four strategic directions. Read the quadrants together and spot cross-quadrant links: how can a strength offset a threat, or an opportunity fix a weakness?



SWOT strategy comes from these links — each combination suggests a different posture, from growth-oriented (SO) to defensive (WT).

Know Where You Stand Before You Decide Where to Go

> "In preparing for battle, I have always found that plans are useless but planning is indispensable." — **Dwight D. Eisenhower**

Honesty + Structure

SWOT works because it demands **honesty** and **structure**.

The Foundation of Strategy

An honest **internal** and **external** view creates strategy.

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