

## SWOT Analysis

**SWOT Analysis** is an universal analytical technique focused on the evaluation of internal and external factors affecting the success of the organization or any other evaluated **system**. Naturally and most commonly, the SWOT analysis is used in the strategic management of the organization in evaluating a **strategic intention**. The author of SWOT analysis is Albert Humphrey, who designed it in the sixties of the 20th century.

Internal and external factors within the **SWOT analysis** are evaluated. Internal factors include the Strengths and Weaknesses of the organization/system. External factors include Opportunities and Threats which are related to the surroundings of the organization/system. SWOT is an acronym from the initial letters of the names of the individual factors.



The essence of the analysis is to identify **key** strengths and weaknesses of the organization and **key** opportunities and threats of the external environment. To analyze the external environment of the organization (OT), the PESTLE Analysis can be used. For assessment of the resources as internal factors (SW), VRIO Analysis can be used for example. Further, there are searched ways on how to use the identified strengths and opportunities and how to eliminate identified weaknesses and threats.

**Use of SWOT analysis in practice:** given that, this is a very universal and one of the most widely used analytical technique, its application in practice is very wide. It can be used for the organization/business as a whole or for individual areas, projects or other purposes. Since it contains both external and internal factors, it is also part of a broader risk management as it affects key risk sources, it helps to realize them and possibility to set up the measures. It is necessary to clearly define in advance external factors applies that, for what they are considered, with the regard to the analyzed problem or entity. It can be the surroundings of an organization or organizational unit.

In practice there are lots of different methodologies, interpretations and ways of creating a SWOT analysis.

Related terms and methods:

- › Discontinuity
- › Five Forces Analysis
- › EFE Matrix
- › IFE Matrix
- › Impact Analysis
- › Market segmentation
- › PESTLE Analysis
- › SPACE Analysis
- › Surroundings
- › Threat
- › VRIO Analysis

Related management fields:

- › Change Management
- › Facility Management
- › Forecasting
- › Marketing and Sales
- › Organizational Management
- › Planning
- › Project Management
- › Risk Management
- › Strategic Management