

Method

SWOT analysis

Description

The SWOT analysis is an instrument of strategic corporate management with which strengths and weaknesses of the company or its supply chain as well as the opportunities and threats in the environment can be uncovered. The resulting findings can be used to identify risks by comparing the requirements of the market with the potential of the company or supply chain. Finally, identified weaknesses are to be regarded as risks, whereby these can be both strategic and operational in nature.

Basic procedure

1. Combination of a project team consisting of employees from different functions or business units
2. Drawing up checklists and information requirements
3. Data collection and evaluation
4. Derivation of risks from weaknesses and threats

Prerequisites/Aids

The prerequisite for determining the strengths and weaknesses of a company is a well-functioning controlling system that can provide the necessary information. To identify opportunities and threats, an environmental and competitive analysis should be carried out.

Effort

The duration of a SWOT analysis is strongly dependent on the company. In the case of the first execution, several weeks to several months should be set until reliable data are available.

Advantages	Disadvantages
<ul style="list-style-type: none">• Structured process• Recognized and well-known instrument in practice• All functional areas are illuminated	<ul style="list-style-type: none">• Difficult information retrieval• No direct derivation of risks• Very time-consuming• Resource intensive

Related Literature
<p>Bamberger, I./Wrona, T. (2013): Strategic Corporate Management - Strategies, Systems, Methods, Processes, Vahlen, Munich</p> <p>Simon, Hermann/von der Gathen, Andreas (2010): The great handbook of strategic instruments: All tools for a successful company management, 2nd edition Campus, Frankfurt am Main</p>