



## How to SWOT your business

### Step 1 Collect all your information

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It is important to collect as much information together about your business as possible to give you a sense of what is going well and what could be improved. Sales figures, numbers of customer leads (and numbers of conversion, if possible) and so on, will give you a clearer idea of how things are going.

An important area you need to cover is your **competitors**. Some of the questions you will want to answer about your competitors might be:

- Who are my main competitors, in each of my possible customer groups/segments?
- What are my competitors' strengths (in their customers' view)?
- What are my competitors' weaknesses (in their customers' view)?
- What do my competitors charge for their products/services?
- What extra services do they offer (same/next day delivery, guarantees, rewards for loyal customers)?

When you are thinking of competitors, remember to include anyone who could solve your customer's problem, not just those already doing what *you* are doing in your business (or thinking of doing, if you are just starting out). Think about the competitors for each of your possible customer groups separately.

**To give you an example**, on **page 4** of this pdf, we show a completed SWOT for a personal trainer. For this trainer, other personal trainers are obvious competition. However, organisations such as slimming groups could solve part of their customers' problems, too, so they should also be seen as competitors. For the more athletic customer group, sports clubs, companies selling gym equipment and training DVDs would be competitors, and so on. You get the picture.

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Start to build up a file of competitor information, and add it to your collection. It could include newspaper cuttings, price lists, brochures, information from competitors' websites, or that you have gathered from mutual contacts, and so on. If you collect a lot, start a separate folder.

Be active in your information gathering, even if you have been running your business for some time. Ask mutual customers and suppliers what they like and dislike about your competitors and their products and services. Their answers will tell you a lot about what your customers want, as well as what your competitors are offering them.

Depending on your line of business, you could buy your competitors' products, phone them to ask for a brochure (how efficient are they compared to you?), use their services, subscribe to their publications, or whatever. There are many possibilities if you apply some creative thinking. Do make sure you stay legal, though – no trespassing or raiding dustbins!

## Explore the wider world

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Once you have collected as much information as you can about the competition in each of your possible customer groups, you may think you have done enough, but there is one more thing you need to do, and it is very important.

Your business operates within its market place, but it will also depend on the wider outside world. You need to think how this affects you and your business.

You can often find out this sort of information from business advisers, banks, professional bodies, trade groups or the Internet, and it is worth spending some time looking for any information that may be important to your business.

## **Step 2** SWOT your business

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Once you have collected all the information for each of your possible customer groups, competitors, and so on, you are in a much better position to decide exactly what you will do in your business.

Sometimes, the amount of information you have collected can make it difficult to make your decisions, and this is where the SWOT analysis comes in, by looking closely at strengths, weaknesses, opportunities and threats you will be in a much stronger position going forward. You will be acting in a **proactive** way, rather than simply responding to events, whether internal or external.

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On the sheet entitled **SWOT your business** (page 6 of this pdf) write down the internal strengths and weaknesses of your business, picking out only the most important points from all the information you have gathered. If you are selling your own services, these may be closely linked to your own **strengths** (such as 'good qualifications') and **weaknesses** (for example, 'no experience'), and so on.

Next, think about all the future possibilities for your business, and write these down in the **opportunities** section of the SWOT grid.

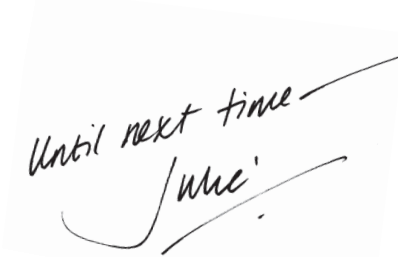
Now look again at your analysis of the competition and the wider world, and write down in the **threats** section of the sheet, anything external (and usually uncontrollable by you) that could threaten the success of your business. These could be the actions of particular competitors, or new laws, and so on.

### Step 3 SWOT your competitors

The final stage is to complete a SWOT grid for each of your closest competitors using **SWOT your competitors** to fill in a SWOT grid for each close competitor. Clearly, you won't know everything about them, but take a best guess. This will help you to keep an eye on their actions in the areas where they present the biggest threat, and to decide how to make the most of their weaknesses.

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**Next time** I shall be talking about how to use your SWOT as a tool to create a practical **action plan** for you and your business. Until then, thanks for downloading this pdf. I hope you've found it useful.



Until next time  
Julie

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to help you run your business better – from the woman who wishes she had them when she was making all *her* mistakes!

**Julie Stanford**, managing director of Essential Business.



**An important thank you:** My thanks, as always, to the wonderful **Jane Priddis** for her work on this material.

## Red all over

**Example SWOT for a personal trainer**

Your SWOT should highlight all the most important parts of your marketing audit. It should help you to convert the mass of information you have gathered from your audit into something much more usable.

**STRENGTHS**

- Professional experience*
- Up-to-date qualifications*
- Modern equipment*
- Well known locally*
- Good at motivating people*
- Fit and energetic*
- Supportive family*
- Affluent area*
- Low start-up costs*
- Central location*

**WEAKNESSES**

- Working alone*
- No business experience*
- Limited space at home*
- No existing customers*
- Low advertising budget*
- No marketing experience*
- Customer group 1: weak motivation*
- Limited capital available*

**OPPORTUNITIES**

- Talks at doctors' surgeries*
- 'Slimmer of the Year' competition*
- Link with nutrition adviser*
- Write training manual*
- Trail-running days*
- Articles for local and specialist press*
- Links with physios and osteopaths for referrals*
- Target groups 2 & 3*
- Talks to hospital consultants & nurses*
- Body-building sessions*
- Specialist course for particular sports*
- Group sessions and classes*
- Internet coaching*
- Links with groups eg. Weight Watchers*

**THREATS**

- Local leisure centre buying new gym equipment*
- Leisure centre taking on personal trainers*
- Upmarket health clubs*
- Slimming clubs*
- Home workout equipment*
- Athletic clubs*
- New health & safety regulations*
- Bad publicity*
- Many people training as personal trainers*
- Own ill health or injury*
- Client injuries*

Red all over

**Example SWOT for the personal trainer's main competitor**

We have taken the main competitor for this personal trainer as being personal trainers employed on a part-time basis by the local leisure centre, which we assume has a reasonably well-equipped gym.

**STRENGTHS**

- Target customers already use leisure centre*
- May win existing gym/exercise class customers*
- Free publicity in leisure centre brochures*
- Leisure centre admin. support*
- Medical backup*
- Changing rooms, showers, other facilities*
- Equipment maintained by leisure centre*
- Tie-in with leisure centre special offers*
- Financial stability*

**WEAKNESSES**

- Lower paid job*
- Leisure centre seen as impersonal*
- May be less qualified*
- Limited to leisure centre customers*
- Limited time in gym (other classes etc)*
- Gym crowded at peak times*
- Leisure centre responds slowly to changing customer needs*

**OPPORTUNITIES**

- Bespoke training for particular sports/health needs*
- Discount deals by combining with other activities (e.g: swimming)*
- Competitions and races*
- League tables in gym*
- Offer training for particular local events*
- Publicity from success stories (training individuals to success/weight loss etc)*
- Links with groups and classes (e.g: Weight Watchers, yoga)*

**THREATS**

- Independent personal trainers - more specialised*
- Private gyms and health clubs*
- Athletic clubs*
- Slimming clubs*
- Bad publicity (e.g: accident/injury)*

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