

# Creating a Business

Lecture Title: *SWOT & Opportunity Analysis*



Lecturer: **Angelito Sciberras**

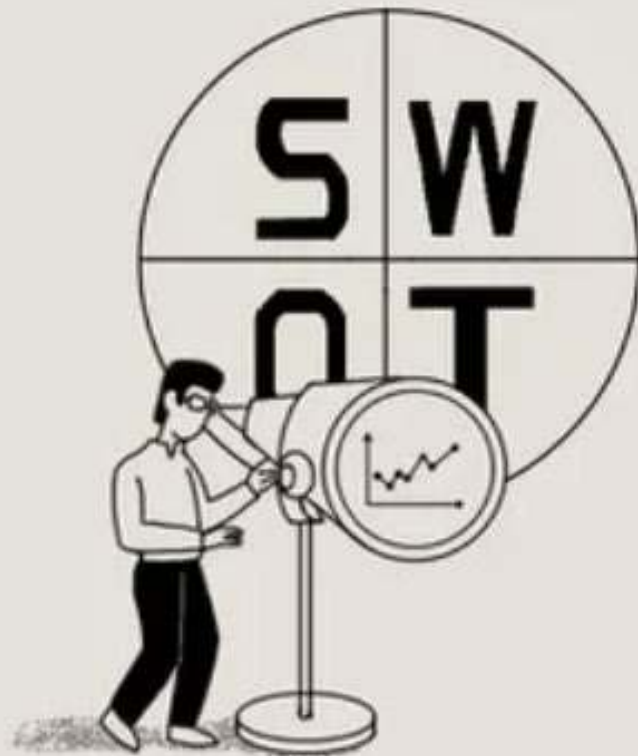
Date: **26 October 2022**

**Undergraduate Diploma in  
Business Administration**

# The Business Model Canvas



# SWOT Analysis



## SWOT

*[ˈswɑːt]*

A framework used to evaluate a company's competitive position and to develop strategic planning.

# SWOT Analysis

What does SWOT stand for?

S =

W =

O =

T



# SWOT Analysis

What does SWOT stand for?

S =



# STRENGTH

# SWOT Analysis

What does SWOT stand for?

W =



# WEAKNESS

# SWOT Analysis

What does SWOT stand for?

O =



# SWOT Analysis

What does SWOT stand for?

T =



# THREATS



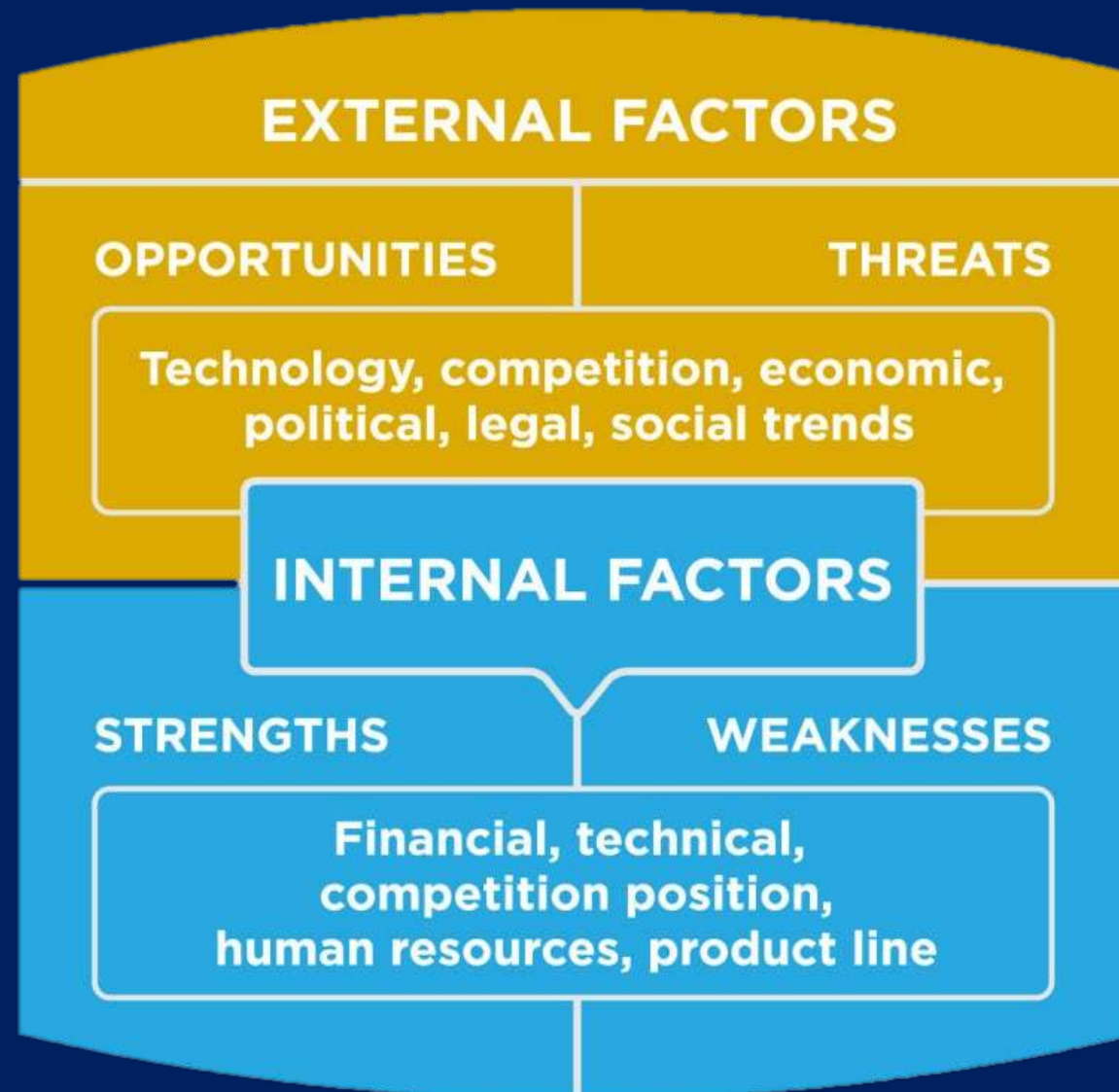
# SWOT Analysis

Firm's strategy must:

- **Build** on its **strengths**
- **Remedy** the **weaknesses** or work around them
- Take **advantage** of the **opportunities** presented by the environment
- **Protect** the firm from **threats**



# SWOT Analysis



# SWOT Analysis

<h2>S</h2> <p><b>STRENGTHS</b></p>	<h2>W</h2> <p><b>WEAKNESSES</b></p>	<h2>O</h2> <p><b>OPPORTUNITIES</b></p>	<h2>T</h2> <p><b>THREATS</b></p>
<ul style="list-style-type: none"><li>• Things your company does well</li><li>• Qualities that separate you from your competitors</li><li>• Internal resources such as skilled, knowledgeable staff</li><li>• Tangible assets such as intellectual property, capital, proprietary technologies etc.</li></ul>	<ul style="list-style-type: none"><li>• Things your company lacks</li><li>• Things your competitors do better than you</li><li>• Resource limitations</li><li>• Unclear unique selling proposition</li></ul>	<ul style="list-style-type: none"><li>• Underserved markets for specific products</li><li>• Few competitors in your area</li><li>• Emerging need for your products or services</li><li>• Press/media coverage of your company</li></ul>	<ul style="list-style-type: none"><li>• Emerging competitors</li><li>• Changing regulatory environment</li><li>• Negative press/ media coverage</li><li>• Changing customer attitudes toward your company</li></ul>

# SWOT Analysis

## Potential Strengths and Competitive Assets

- Competencies that are well matched to industry key success factors
- Ample financial resources to grow the business
- Strong brand-name image and/or company reputation
- Economies of scale and/or learning- and experience-curve advantages over rivals
- Other cost advantages over rivals
- Attractive customer base
- Proprietary technology, superior technological skills, important patents
- Strong bargaining power over suppliers or buyers
- Resources and capabilities that are valuable and rare
- Resources and capabilities that are hard to copy and for which there are no good substitutes
- Superior product quality
- Wide geographic coverage and/or strong global distribution capability
- Alliances and/or joint ventures that provide access to valuable technology, competencies, and/or attractive geographic markets

## Potential Weaknesses and Competitive Deficiencies

- No clear strategic vision
- No well-developed or proven core competencies
- No distinctive competencies or competitively superior resources
- Lack of attention to customer needs
- A product or service with features and attributes that are inferior to those of rivals
- Weak balance sheet, short on financial resources to grow the firm, too much debt
- Higher overall unit costs relative to those of key competitors
- Too narrow a product line relative to rivals
- Weak brand image or reputation
- Weaker dealer network than key rivals and/or lack of adequate distribution capability
- Lack of management depth
- A plague of internal operating problems or obsolete facilities
- Too much underutilized plant capacity
- Resources that are readily copied or for which there are good substitutes



# SWOT Analysis

## Potential Market Opportunities

- Sharply rising buyer demand for the industry's product
- Serving additional customer groups or market segments
- Expanding into new geographic markets
- Expanding the company's product line to meet a broader range of customer needs
- Utilizing existing company skills or technological know-how to enter new product lines or new businesses
- Falling trade barriers in attractive foreign markets
- Acquiring rival firms or companies with attractive technological expertise or capabilities
- Entering into alliances or joint ventures to expand the firm's market coverage or boost its competitive capability

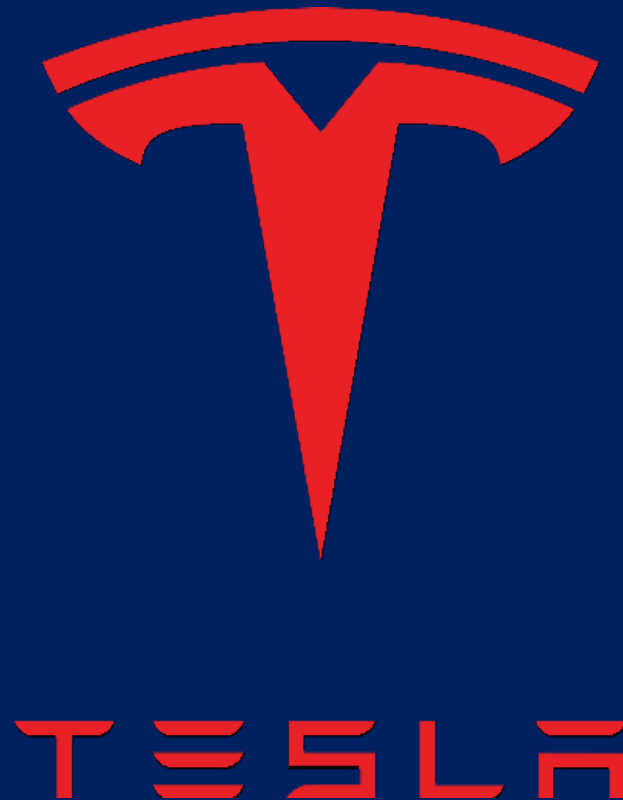
## Potential External Threats to a Company's Future Profitability

- Increasing intensity of competition among industry rivals—may squeeze profit margins
- Slowdowns in market growth
- Likely entry of potent new competitors
- Growing bargaining power of customers or suppliers
- A shift in buyer needs and tastes away from the industry's product
- Adverse demographic changes that threaten to curtail demand for the industry's product
- Adverse economic conditions that threaten critical suppliers or distributors
- Changes in technology—particularly disruptive technology that can undermine the company's distinctive competencies
- Restrictive foreign trade policies
- Costly new regulatory requirements
- Tight credit conditions
- Rising prices on energy or other key inputs



# SWOT Analysis

Have you heard of...







# Perform a SWOT analysis on



# SWOT Analysis



<https://swothub.com/apple-swot-analysis/>



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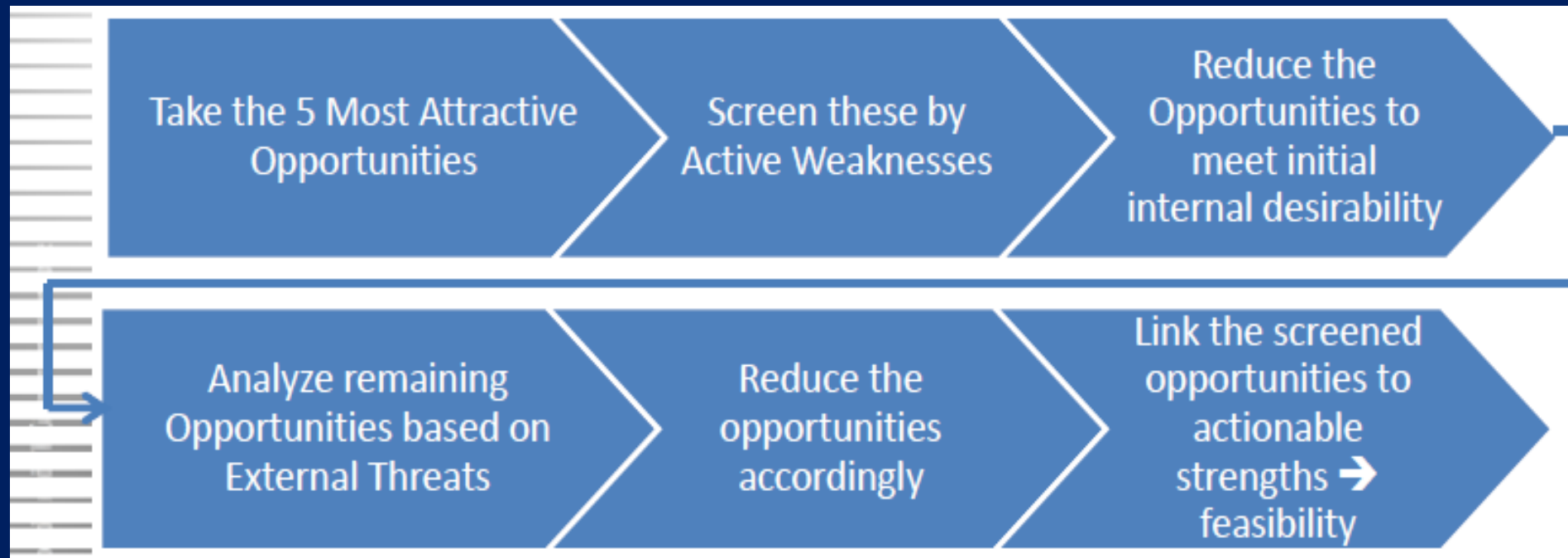
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# SWOT Analysis

## Opportunities Approach...



# SWOT Analysis

## Opportunities Approach...



### STRENGTHS

- Well known CEO with a good track record
- Uses TESLA stores instead of distributors
- 1st to produce electric luxury cars
- Proprietary Technology
- Popular in Younger Age Groups

### OPPORTUNITIES

- Increasing awareness & support - environmentalists
- Large International marketing potential
- Lower price models appealing to a wider audience
- Advanced technology leading to longer battery life Price
- First time buyers
- Increasing fuel price
- Know how- strong ties with other companies (Space X etc)

### WEAKNESSES

- CEO is also CEO to Space X and others
- Infrastructure for electric cars not yet developed
- Customers still wary of such technology
- Price

### THREATS

- Competition from established companies
- Law suits inhibit/delay innovation
- Loss of Gov subsidy will drive prices up

# SWOT Analysis



## Opportunities Approach...

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## Future Strategy

Stores to look more environmentally friendly

- trees in stores
- clear water features

Emphasis on

- status symbol
- the price to buy the car is recovered through the savings on fuel costs





Perform a SWOT opportunities approach on  
Come up with a future strategy



The screenshot shows a control panel for a presentation slide. At the top, there are four large black arches. Below them are several control elements: a 'Start' button, a 'Stop' button, a 'Reset' button, a 'mins: 20' field, a 'secs: 0' field, and a 'type:' label. A dropdown menu is set to 'None'. At the bottom, there is a red clock icon followed by the text 'Breaktime for PowerPoint by Flow Simulation Ltd.' and a checked checkbox labeled 'Pin controls when stopped'.



# SWOT Opportunities





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