

Creating a Business

Lecture Title: *SWOT & Opportunity Analysis*



Lecturer: Angelito Sciberras

Date: 16 October 2024

Undergraduate Diploma in
Business Administration

Previous Session

- Approaches to Identifying Opportunities
- Talent/Skills
- Hedgehog model
 - Passion – Profitability - Competency
- Business Idea
- Business Model Canvas



Question 01

What does the 'Key Partners' block in the Business Model Canvas refer to?

- a) Primary customers
- b) Key suppliers
- c) Main competitors
- d) Revenue streams



Question 02

Which element of the Business Model Canvas deals with how a company delivers value to its customers?

- a) Customer Segments
- b) Key Activities
- c) Value Proposition
- d) Cost Structure



Question 03

What does the 'Key Resources' block in the Business Model Canvas represent?

- a) Main expenses
- b) Main activities
- c) Essential assets
- d) Target market



Question 04

What does the 'Customer Relationships' block in the Business Model Canvas focus on?

- a) How to attract new customers
- b) How to retain existing customers
- c) How to expand the product line
- d) How to cut costs



Question 05

Which component of the Business Model Canvas defines the ways in which a company generates revenue?

- a) Key Partners
- b) Customer Segments
- c) Cost Structure
- d) Revenue Streams



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

SWOT Analysis

Potential Strengths and Competitive Assets	Potential Weaknesses and Competitive Deficiencies
<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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

00:00



SWOT Analysis



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



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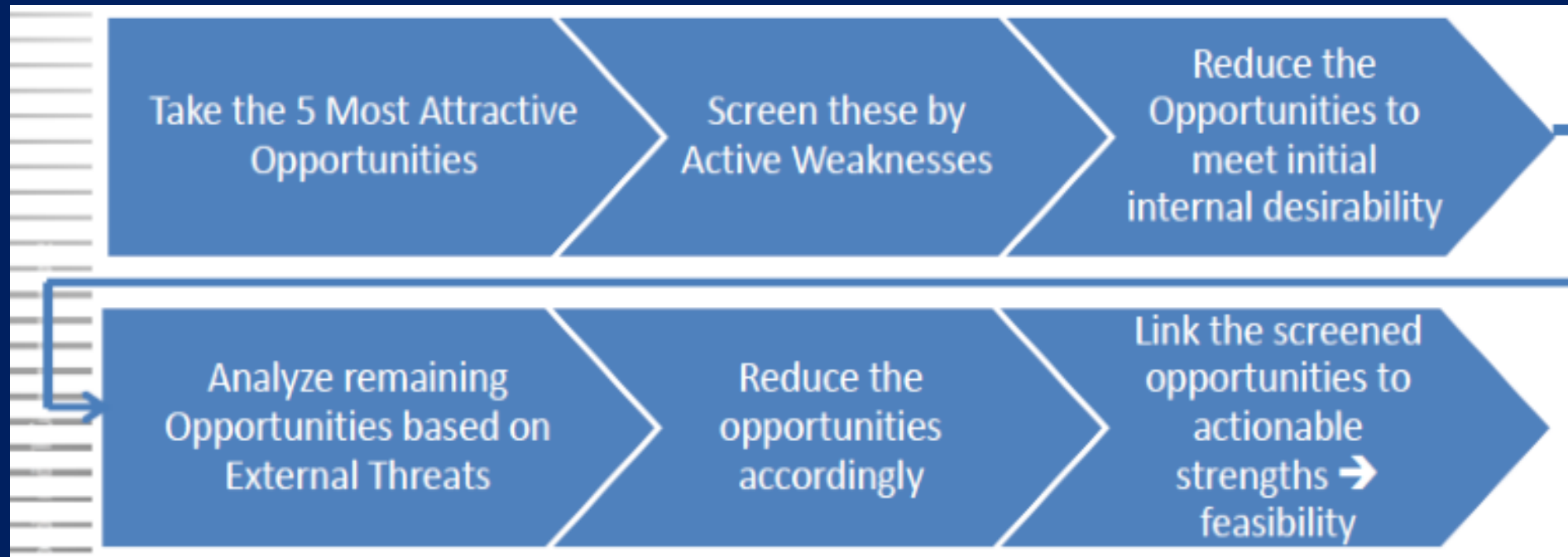
07:58



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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 environmental 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

00:00



SWOT Opportunities





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