

Lessons From Experience: SWOT Analysis

Introduction

The story that you are about to read is from actual events that occurred in the field. Its purpose is to provide you with a real-world example from a seasoned professional in the business world.

SWOT Analysis

One of the most important tools to use when making a business decision is the strengths, opportunities, weaknesses, and threats (SWOT) analysis; that is, a method to assess an organization's strengths and weaknesses and the internal and external opportunities and the threats it faces. When I was asked to evaluate whether it made sense for a stockbroker to market to a new territory, I immediately began to provide my own opinions and preconceived notions. As I prepared for my presentation to disclose my evaluation, I noticed that my opinions were slanted—even untruthful to some degree. I recognized an opportunity to apply what I'd learned in school and gave SWOT a chance. It took me 2 hours to develop a well-rounded analysis and to make a more informed decision. Doing a SWOT analysis saved me from making a big mistake—one that could have cost the company thousands of dollars and likely cost me my job.

It is important to take away the following from this scenario:

- A SWOT analysis should be conducted for all major decisions in business.