

**Sage** *Wedding* **Pros**

astute ~ balanced ~ wise ~ knowing

## **SWOT Analysis**

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A SWOT Analysis is a helpful tool in which examine key characteristics of your business. This is a strategic analysis that is done in all businesses of all sizes: small sole proprietorships on up to Fortune 500 organizations. I encourage all businesses in the wedding industry to do this twice a year. It is great for quickly assessing:

- whether you are moving in the right direction or not
- what is AWESOME about your business
- what needs to be changed and improved
- what external factors (trends, economics, politics) affect your business

## SWOT Analysis

The SWOT breaks down into two components, of two parts each (four parts total):

### Internal Factors:

- Strengths – the strengths of your business, IN your business
- Weaknesses – the weaknesses of your business, IN your business

### External Factors:

- Opportunities – opportunities for your business, OUTSIDE of your business
- Threats – threats for your business, OUTSIDE of your business

# SWOT ANALYSIS



[http://commons.wikimedia.org/wiki/File:SWOT\\_en.svg](http://commons.wikimedia.org/wiki/File:SWOT_en.svg)

## **Define the Strengths of your Business**

Take 15-30 minutes to write down the strengths of your business. Be honest and realistic. This is to be used to help you make decisions about the health of your organization. Here are some things to think about when defining your strengths:

- How is your business different from others?
- What are the intangible assets (people, experience, knowledge) and tangible assets (office, equipment) that makes your business strong?
- What do you personally bring to your business? What do your employees bring?
- What are some of the achievements your business has had in the last year?
- How is your business perceived within the wedding industry? What is its reputation? What is your reputation?

## **Define the Weaknesses of your Business**

Take 15-30 minutes today to write about the weaknesses of your business. This can be challenging because it forces you to face some of the thoughts you may be avoiding. Remember that by recognizing your weakness, you can build strength. Here are some thoughts to help you determine these weaknesses:

- What are the things holding your business back? holding you back?
- What is unhealthy about your business?
- What are the struggles that your business has and that are difficult to overcome?
- What are your daily challenges? your larger challenges?
- What are your sources of frustration?
- What negatively impacts your relationships with vendors, clients, and/or employees?

## **Define the Opportunities to your Business**

Take 15-30 minutes today to work on writing the opportunities for your business. These are the “places you will go” and “things you can do” with your business. Keep in mind that these are the *external factors* that affect your business. You have little control over these opportunities. Here are some things to think about while working on your opportunities:

- Look at the economic, social, and political climate. How can changes in these factors define opportunities for your business?
- What trends are happening in the market? How can your business fit into these trends?
- What opportunities are there within your market segment? In your local market? At the national level?
- Where do you see lemons? Can you make lemonade?
- Where do you find a challenge at the consumer level? Can you create a solution?

## **Define the Threats to your Business**

Take 15-30 minutes today to work on defining the threats to your business. Threats come from outside factors to your business. It is useful in identifying the threats to your business so that you can be watchful and aware of them. Knowing your threats will help you make better business decisions. These are the challenges you will face along the way. Here are some helpful questions and tips for defining your business threats:

- Look at the economic, social, and political climate. How can changes in these factors present threats to your business?
- What is happening within the wedding industry? Are there changes that could be challenges to your business?
- Talk about other professionals in your segment (both your competitors, and your non-competitors). Do they present any threats in market share?
- Is anything happening locally that could affect your business negatively? Nationally? Internationally?
- What are the market trends? Are they moving with your business or in another direction?
- Are there any economic factors that affect your suppliers? How can these factors present a threat to your business?
- Is your reputation at risk in any way?

## **SWOT's It All About?**

One final step is necessary in putting the SWOT information together. An analysis is only valuable if you put a plan into place. In this last step you will create a list of strategies for your business. In this last step we'll take a look at how we can:

- maximize our strengths to take advantage of opportunities: Strength-Opportunity Strategies (SO Strategies)
- use our strengths to minimize the threats to our business: Strength-Threat Strategies (ST Strategies)
- use opportunities to lessen weaknesses: Weakness-Opportunity Strategies (WO Strategies)
- mitigate the weaknesses in light of impending threats: Weakness-Threat Strategies (WT Strategies)

Here is a matrix for a **Wedding Florist Business** to help you see how all of these details fit together:

		Strengths	Weaknesses
		<ul style="list-style-type: none"> <li>- Award-winning Florist</li> <li>- Awesome Employees</li> <li>- 4.9 out of 5 in customer service feedback</li> <li>- Use floral elements different from competitors</li> </ul>	<ul style="list-style-type: none"> <li>- High overhead expenses</li> <li>- Slow response to email inquiry</li> <li>- Outdated branding</li> <li>- No blog</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>- new wedding tradeshow in March 2010</li> <li>- wedding trends moving to <i>natural design</i> (less fluff)</li> <li>- new local wedding magazine launched June 2010</li> <li>- office rents are dropping in the local market</li> </ul>	<p><u>SO STRATEGIES</u></p> <ul style="list-style-type: none"> <li>- Submit photos of award-winning designs using unique florals to the new local wedding magazine</li> </ul>	<p><u>WO STRATEGIES</u></p> <ul style="list-style-type: none"> <li>- ask landlord for a rent reduction to match market conditions</li> </ul>
<b>Threats</b>	<ul style="list-style-type: none"> <li>- employee turnover is always a risk</li> <li>- advertising rates are rising</li> <li>- increased competition</li> </ul>	<p><u>ST STRATEGIES</u></p> <ul style="list-style-type: none"> <li>- Rewards employees more often with incentives and perks</li> <li>- Add customer service feedback to blog and website</li> </ul>	<p><u>WT STRATEGIES</u></p> <ul style="list-style-type: none"> <li>- Update branding to beef up ads</li> <li>- Start a blog and analyze return on advertising (substitute ad for blog?)</li> </ul>

*font color corresponds to cross-over in factors - copyright Sage Wedding Pros, 2009*

Here are a few observations:

- See how we've lined up our niche strengths (unique floral design) to take advantage of opportunities (submitting photos to that new magazine)?
- Notice how we're beefing up our strengths (strong customer service) to work around the threats (increased competition)?
- Do you see how we are taking advantage of external opportunities (cost of rent and real estate is dropping) to lessen the weaknesses (high overhead)?
- Observe how we can mitigate the weaknesses (no blog; start a blog) to adjust for threats (advertising costs are rising)?

## In Summary

The SWOT is a very powerful tool in identifying the internal and external factors that affect our business. I find it useful to do one every 6 months. Some of the factors don't always change so a working word or excel document can be helpful in analyzing the constant and/or dynamic aspects of your business. The final piece, putting a strategy in place, is helpful in determining short and long term goals for your business. All of the SO, ST, WO, WT strategies can be put into your 1-10 year goal sheet, and into your business plan.