2 How to identify the innovation needs of a business problem

2.2 SWOT analysis

Keywords
SWOT analysis, strengths, opportunities, weaknesses, threats, business environment analysis

After reading the component you will have a basic knowledge of SWOT analysis. You will be able to do a SWOT analysis when faced with any decision making situation in your organisation. You also have some important tips for successful implementation of SWOT analysis. It will take almost 40 minutes to go through this module, but if you complete the suggested task it will take approximately one and a half hours.

Introduction
Have you ever asked customers for feedback on a new product, service or process and have you analysed the results of this feedback? Are you threatened by your competitors’ fresh ideas? Are you considered as an innovator by the market? All these speculations are part of a SWOT analysis tool.

SWOT analysis is a great tool for developing an understanding of an organisation particularly in decision-making situations for either a business, an organisation or an individual. The SWOT analysis headings provide a good framework for reviewing the strategy, position and direction of a company, product, project or person (career).

Doing SWOT analysis can be very simple; however its benefits lie in its flexibility and direction application. A scan of the internal and external environment is an important part of the strategic planning process\(^1\). Environmental factors internal to the firm can usually be classified as strengths (S) or weaknesses (W), and those external to the firm can be classified as opportunities (O) and threats (T). Such an analysis of the strategic environment is referred as a SWOT analysis\(^2\).

The SWOT analysis provides information that is helpful in matching the firm’s resources and capabilities to the competitive environment in which it operates\(^3\).

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\(^1\) [http://www.rapidbi.com/created/SWOTanalysis.html](http://www.rapidbi.com/created/SWOTanalysis.html)

\(^2\) InnoSupport: Supporting Innovations in SME. 2.2 SWOT Analysis, 2005

\(^3\) Ibid
2.2.1 What is "SWOT analysis"

When undertaking a traditional strategic planning process, debating future direction, or assessing existing opportunities for the organisation, a board, manager or management team can rely on a SWOT analysis for help. During the analysis, the team lists and assesses the organisation’s (S) Strengths, (W) Weaknesses, (O) Opportunities and (T) Threats, often on a matrix (see annex). Each of these controlling forces prompts the team to consider factors that might easily be overlooked as it shapes the future of the organisation.

This process provides insights to the organisation's internal and external positioning, examining internal and external elements that must be factored into future decision making. It prohibits the organisation from becoming too insular and functioning without proper feedback.

The role of SWOT analysis is to gather the information from the environmental, analysis and distinguish it into internal (strengths and weaknesses) and external issues (opportunities and threats). Once this is completed, SWOT analysis will help you decide if the information indicates something that will assist the firm in fulfilling its objectives (a strength or opportunity), or if it shows an obstacle that must be overcome or minimised to achieve desired results (weakness or threat).

When doing SWOT analysis, remember that the S and W are INTERNAL and the O and T are EXTERNAL. The following tables indicate a variety of possible strengths, weaknesses, opportunities and threats.

### SWOT Analysis – Some questions to identify Possible Strengths

<table>
<thead>
<tr>
<th>Tangible Strengths</th>
<th>Intangible Strengths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets including plant and equipment. Do you need new equipment to support innovation?</td>
<td>Do you have a strong recognizable brand or do you stock strong brands</td>
</tr>
<tr>
<td>Your business location. Do you have long-term contracts?</td>
<td>Your reputation - are you considered an innovator, market leader or an expert in your field?</td>
</tr>
<tr>
<td>Is your product unique, innovative or market leading?</td>
<td>Do you have strong relationships with your suppliers and customers?</td>
</tr>
<tr>
<td>Have you got sufficient financial resources to fund any changes you would like to make?</td>
<td>Do you have a positive relationship with your employees?</td>
</tr>
<tr>
<td></td>
<td>Do you support or nurture an innovative culture?</td>
</tr>
</tbody>
</table>

5. Ibid
6. InnoSupport: Supporting Innovations in SME. 2.2 SWOT Analysis, 2005
7. Ibid
2.2 SWOT Analysis

Do you have any cost advantages over your competitors?
Do you use superior technology in your business?

Do you own any patents or proprietary technology?
Do you have a proven advertising process that works well?
Are your managers highly experienced or serve as an innovative model for employees?

Remember - Weaknesses – internal to your business/organisation; characteristics or qualities of the way you work that make you less competitive in comparison with your competitors.

SWOT Analysis – Some questions for identifying Possible Weaknesses

<table>
<thead>
<tr>
<th>Tangible Weaknesses</th>
<th>Intangible Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you offer innovative products to your market share?</td>
<td>Have you applied any innovation strategy?</td>
</tr>
<tr>
<td>Do you use any innovative procedures/functions?</td>
<td>Do you support exchange of new ideas for innovative products or services?</td>
</tr>
<tr>
<td>Is your organisation promoted in an innovative way in order to attract customers’ attention?</td>
<td>Do you usually brainstorm?</td>
</tr>
<tr>
<td>Is your plant and equipment old or outdated?</td>
<td>Do you have a weak or unrecognisable brand or image?</td>
</tr>
<tr>
<td>Have you got insufficient financial resources to fund any changes you would like to make?</td>
<td>Do you have a poor relationship with your employees or customers or suppliers?</td>
</tr>
<tr>
<td>Do you use inferior technology in your business?</td>
<td>Is your marketing failing to meet objectives?</td>
</tr>
<tr>
<td>Do you have low volume and are restricted in your ability to scale up?</td>
<td>Are your managers inexperienced?</td>
</tr>
<tr>
<td></td>
<td>Do you have low R&amp;D?</td>
</tr>
</tbody>
</table>

Please stop and think: Are there any additional weaknesses that are unique and innovative to your business/organisation?

2.2.2 Why use SWOT?

A SWOT analysis is a process to identify where you are strong and vulnerable -- where you should defend and attack. In case you really want to be innovative you really need to track down your strengths and opportunities. If you are aware of your strengths you might use them to support and nurture an innovative culture in your organisation. Some of the

http://www.rapidbi.com/created/SWOTanalysis.html
opportunities might show you that you can produce fresh ideas about innovative products, services or procedures and then use your strong points to implement those ideas. The result of the process is a 'plan of action', or 'action plan' which will highlight your practical steps to accomplish an opportunity or to avoid a threat, to maintain a strong point or remove a weakness. The analysis can be performed on a product, on a service, a company or even on an individual.

On its own a SWOT analysis is meaningless. It works best when part of an overall strategy or in a given context or situation. This strategy may be as simple as: (a) goal or objective, (b) SWOT analysis, (c) evaluation or measures of success strategy or (d) action.

What makes SWOT particularly powerful is that, with a little thought, it can help you uncover opportunities that you might be well prepared to exploit. By recognising the weaknesses of your business, you can manage and eliminate threats that would otherwise catch you unprepared to face them.

More than this, by looking at yourself and your competitors using the SWOT framework, you can start to craft a strategy that helps you distinguish yourself from your competitors, so that you can compete successfully in your market.

A SWOT that is properly conducted will give you the BIG PICTURE of the MOST IMPORTANT FACTORS that influence INNOVATIVE ACTIVITY, SURVIVAL and PROSPERITY!

### 2.2.3 Where can you use it

Here are some indicative examples of what a SWOT analysis can be used to assess:

- A product or brand (product evaluation)
- An innovative business idea for a new product or service
- A strategic option, such as entering a new market or launching a new product
- An opportunity to make an acquisition or a potential partnership
- Outsourcing a service, activity or resource
- Conduct a review of your company, of your product, of your services, of yourself, of your intranet site, of your competitors, its position in the market, commercial viability, etc.

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10 [http://www.rapidbi.com/created/SWOTanalysis.html](http://www.rapidbi.com/created/SWOTanalysis.html)
11 Ibid
12 [http://www.mindtools.com/pages/article/newTMC_05.htm](http://www.mindtools.com/pages/article/newTMC_05.htm)
13 Ibid
14 [http://www.businessballs.com/swotanalysisfreetemplate.htm](http://www.businessballs.com/swotanalysisfreetemplate.htm)
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- Offer a new method of analysing your current customers
- Reveal your competitive advantages or competitor evaluation
- Analyze your prospects for sales, profitability and product development

Furthermore, an analysis can be used in general for:

- Workshop sessions, Brainstorm meetings, Problem solving, Finding innovative solutions to your problems, Planning, Decision Making (with force field analysis), etc.

As a conclusion, SWOT analysis is a powerful tool that can be used by all kind of organisations regardless of their sector and size and it can be implemented by an individual or a team.

2.2.4 How to implement SWOT analysis

Now it’s time for you to see how to implement SWOT analysis for your own needs. The following graphs outline the implementation procedure for SWOT analysis.

![SWOT Analysis Diagram]

**Figure 1**: “Implementation procedure for SWOT” (Source: InnoSupport: Supporting Innovations in SME. 2.2 SWOT Analysis, 2005)

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15 [http://www.rapidbi.com/created/SWOTanalysis.html](http://www.rapidbi.com/created/SWOTanalysis.html)

16 Ibid
Establish the objectives

The first key step in any project is to be clear about what you are doing and why. The purpose of conducting SWOT analysis may be wide or narrow, general or specific\(^\text{17}\), but it must be well clarified and defined to all employees or managers participating in the SWOT analysis.

Allocate research and information-gathering tasks

Preparing the data to be used in SWOT analysis is a vital stage for the analysis to be effective and productive in terms of results. This task should be divided among participants. This preparation can be carried out in two stages:

A. *Exploratory*, followed by data collection. At this stage you should derive data relevant to your analysis’ objective by recorded files, staff experience and knowledge, primary or secondary research data, briefing with managers, business plans, marketing or financial documents, etc.

b. *Detailed*, followed by a focused analysis on the data collected. During this stage you should analyse the data drawing some conclusions, ideas, statements, etc. that could form a strength, a weakness, an opportunity or a threat.

**Success factor:** Gathering information on Strengths and Weaknesses should focus on the internal factors of skills, resources and assets, or lack of them. Gathering information on Opportunities and Threats should focus on the external factors\(^\text{18}\).

Create a workshop environment

During this stage participants should exchange their ideas and views. It is recommended to make the SWOT during meetings so that you could exploit the benefits of workshop

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\(^\text{17}\) InnoSupport: Supporting Innovations in SME. 2.2 SWOT Analysis, 2005

\(^\text{18}\) Ibid
sessions. Encourage an atmosphere conducive to the free flow of opinions, information and let participants express what they feel as being appropriate, without criticizing them. The facilitator of the meeting has a key role and should allow time for free flow of thought, but not too much (For more detail see components 4.2 Brainstorming and 4.3 6-3-5 method). Half an hour is often enough to spend on Strengths, for example, before moving on. It is important to be specific, evaluative and analytical at the stage of compiling and recording the SWOT lists.

**List Strengths, Weaknesses, Opportunities, Threats in the SWOT Matrix**

At this stage you could use a SWOT matrix shown in the annex or you can draw this matrix by yourself in order to complete it. While trying to complete consider the following questions and recommendations:

**Strengths:**
What advantages does your company have? What do you do better than anyone else?
What unique or lowest-cost resources do you have access to?
What do people in your market recognise your strengths? What factors mean that you "get the sale"?
Do customers believe you are innovative?
Consider this from an internal perspective, and from the point of view of your customers and people in your market. Be realistic but avoid modesty!

**Weaknesses:**
What could you improve? What should you avoid?
Have you ever shared you ideas with your customers to get feedback?
What are people in your market likely to see as weaknesses?
What factors lose you sales?
Are you considered as an organisation imitating others’ strategies or as an innovative and leading one?
Again, consider this from an internal basis: Do other people seem to perceive weaknesses that you do not see? Are your competitors doing any better than you? It is best to be realistic now, and face any unpleasant truths as soon as possible.

**Opportunities:**
Where are the good opportunities facing you?

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19 InnoSupport: Supporting Innovations in SME. 2.2 SWOT Analysis, 2005
20 [http://www.mindtools.com/pages/article/newTMC_05.htm](http://www.mindtools.com/pages/article/newTMC_05.htm)
21 Ibid
Do you have creative staff providing valuable and useful ideas for new products, procedures or services? Do you have enough resources to support them?

Do you need to make changes to your organisation’s culture or way of working?

What are the interesting trends you are aware of?

Useful opportunities can come from such things as:

Changes in technology and markets on both a broad and narrow scale, Changes in government policy related to your field, Changes in social patterns, population profiles, lifestyle changes, etc.

Local events

A useful approach for looking at opportunities is to look at your strengths and ask yourself whether these open up any opportunities. Remember that opportunities and threats are external! Opportunities are potential future strengths.

Alternatively, look at your weaknesses and ask yourself whether you could create opportunities by eliminating them\(^{22}\).

**Threats:**

- What obstacles do you face? Which of your resources (human, financial or other kind) might inhibit the development of a creative and innovative culture?
- What is your competition doing that you should be worried about? Are they more innovative? Do they usually make changes to attract customers?
- Are the required specifications for your job, products or services changing?
- Is changing technology threatening your position?
- Do you have bad debt or cash-flow problems?
- Could any of your weaknesses seriously threaten your business?

Threats are potential future weaknesses. Carrying out this analysis will often be illuminating - both in terms of pointing out what needs to be done, and in putting problems into perspective\(^{23}\).

**Evaluate listed ideas against objectives**

At this stage you should sort and group facts and ideas in relation to the objectives. It may be necessary for the SWOT participants to select some of the most important items from the list in order to gain a wider view. Having the objectives clearly in mind is key to success as evaluation and elimination will be necessary to separate the wheat from the chaff.

\(^{22}\) [http://www.mindtools.com/pages/article/newTMC_05.htm](http://www.mindtools.com/pages/article/newTMC_05.htm)

\(^{23}\) Ibid
Once the SWOT analysis is complete, it will then be time to put it all together and look closely to form a strategy or plan of action. Review your SWOT matrix with a view to creating an action plan to address each of the four areas.

**In summary:**

- Strengths need to be maintained, built upon or leveraged.
- Weaknesses need to be remedied or stopped.
- Opportunities need to be prioritised and optimised.
- Threats need to be countered or minimised.  

Once the SWOT analysis is complete, it will then be time to put it all together and look closely to form a strategy. This will involve how you can exploit the Opportunities and how to eliminate or deal with the Threats. This may well depend on your company’s original objectives and goals but the whole process will certainly give an overall look at the current position of your business.

Now it’s your turn! Try to use SWOT analysis to analyse your organisation’s situation focusing on making a decision, on solving a problem or achieving a goal. You could use the template included in the annex.

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Simple rules for a successful SWOT analysis

- Be realistic about the strengths and weaknesses of your organisation.
- The analysis should distinguish between where your organisation is today, and where it could be in the future.
- Be specific. Avoid gray areas. Avoid unnecessary complexity and over analysis
- Always analyze in relation to your competition i.e. better than or worse than your competition.
- Keep your SWOT short and simple - but only as short and simple as the application or situation demands - it is about ‘fitness for purpose’\(^{26}\).

Due to the collaborative nature of this tool, your working group will need certain qualities to succeed:

- **Trust** – The questions that SWOT will bring up, particularly in the Weaknesses and Threats categories may be uncomfortable. Your group needs to have open communication and a close or good working relationship where weaknesses and potential threats can be faced openly and objectively. (See component 10.2 Company culture)
- **Ability and willingness** to implement change.
- **Diversity** – The team participating in the SWOT analysis would be more productive if you tried to have employees by all units of your organisation or with diversity of background, experience, etc.
- Establish that your coalition has the necessary **components** to successfully conduct a SWOT analysis (above).
- Set up **meeting times** (if the SWOT is not going to be completed in one ‘sitting’)
- Discuss **how to use** the information gathered from the SWOT to organise your next steps or to support innovative initiatives.\(^{27}\)

### 2.2.5 Case Studies/ Examples

*Company X has set the following objective: “To release an innovative service during the next two years.”* The managing director (MD) gathered all employees to exchange ideas and conducted a SWOT analysis for this purpose.

- **Step 1**: Purpose of conducting SWOT analysis- To release an innovative service during the next two years

\(^{26}\) [http://www.rapidbi.com/created/SWOTanalysis.html](http://www.rapidbi.com/created/SWOTanalysis.html)

\(^{27}\) Ibid
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- **Step 2:** The gathering of information on Strengths and Weaknesses focused on the internal factors and the gathering of information on Opportunities and Threats should focus on the external factors.

- **Step 3:** The manager of the enterprise encouraged all the members of staff to freely express their opinions about what they felt to be appropriate.

- **Step 4:** Following the implementation steps the SWOT team resulted to the following SWOT matrix:

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>In business since 19xx. MD has xx years of experience in the industry and as head of the company. Sales and profits have grown steadily</td>
<td>Junior Manager has no experience or education for his position of Sales Manager</td>
<td>&quot;The opportunities (for growth) are there,&quot; MD</td>
<td>Many of our competitors' industrial customers are going elsewhere for the controls</td>
</tr>
<tr>
<td>Sales and profits were $xx million and $y00, 000 in 2007.</td>
<td>Marketing assistant has little marketing experience</td>
<td>Professional help is available for designing new products</td>
<td>The $50,000 Derf1 designer did not do a good job.</td>
</tr>
<tr>
<td>MD responds personally to all customer complaints and has feedback on their needs. He is fully aware of market trends.</td>
<td>Company is having trouble selling Derf1 (its new product)</td>
<td>Our customers are mature enough to accept a new product according to data for trends. Reliable manufacturers are available for producing new products</td>
<td>There was a business recession</td>
</tr>
<tr>
<td>MD wants to get involved in marketing and promote fresh ideas for the coming campaigns.</td>
<td>&quot;We do not have good reputation as innovators,&quot; MD</td>
<td>There is a market for 1500 Derf1 at $45 a unit</td>
<td>Our competitor X has released a product similar to Derf1 with some disadvantages</td>
</tr>
<tr>
<td>&quot;We have an excellent reputation for quality.&quot; MD</td>
<td>MD can't break the habit of getting involved in everything</td>
<td>Derf1 should be modified according to a future marketing research showing needs and preferences of our customers</td>
<td></td>
</tr>
<tr>
<td>Sales representatives do not present Derf1 because they do not know it well</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is a conflict between Sales manager and Marketing manager regarding pricing policy on Derf1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: [http://www.rapidbi.com/created/SWOTanalysis.html](http://www.rapidbi.com/created/SWOTanalysis.html)

- **Step 5:** After evaluating the ideas and the matrix, the team with the manager produced an action plan including:

  - Training on sales for the junior manager and training for the marketing assistant
  - Training of sales representatives on the new product in order to support their sale activity
  - The advertising strategy will change in order to better target the customers and position the product as innovative without spending too much budget
• MD will focus on his responsibilities and share the remaining duties to the suitable units – employees
• Regular creative meetings so that marketing unit and MD have a good interaction and flow of information but without mixing their tasks and duties. The result should be solutions to change Derf1 in order to compete with our competitors and make the difference!
• The HR manager will mediate the conflict between the Managing director and the marketing manager to find a solution for pricing strategy
• The enterprise must maintain the reputation for good quality (competitive advantage)
• As the designer of Derf1 did not do a good job there is the opportunity to hire professional help for design improvements
• There is an opportunity for marketing research that will give feedback for improving Derf1 making it acceptable to the market.
• There is also an opportunity to rely on experienced manufacturers to produce the new products. Etc.

2.2.6 Summary

SWOT analysis is a powerful tool that can help an employee, a manager, a team or an organisation to diagnose its strengths and opportunities in order to maintain and exploit them respectively. It also uncovers the weaknesses and the threats in order to improve and avoid them respectively. It examines internal and external elements that must be factored into future decision making. Finally, SWOT analysis results in an action plan or a strategy formation. There are several tips for someone to follow in order to achieve successful implementation.

After going through this module you will be able to conduct a SWOT analysis and be aware of its usefulness. It is a powerful tool that can help an employee, a manager, a team or an organisation to diagnose its strengths and opportunities in order to maintain and exploit them respectively. It also uncovers the weaknesses and the threats in order to improve and avoid them respectively. Finally, SWOT analysis results in an action plan.
Bibliography

Websites used:

<http://www.rapidbi.com/created/SWOTanalysis.html>: It is a website supported by a small virtual team of organisation development specialists dedicated to practical solutions to business improvement. It includes data gathering, analysis, identifying key leverage points and providing skills development to enable business advisers and consultants to implement successful change.


Mind Tools Ltd, 1995-2008, last viewed 25 June 2008,
<http://www.mindtools.com/pages/article/newTMC_05.htm>: This website offers information and tools on change management, decision making, problem solving, project management, leadership skills, etc.

Alan Chapman, 1995-2008, last viewed 25 June 2008,
<http://www.businessballs.com/swotanalysisfreetemplate.htm>: Businessballs is a free ethical learning and development resource for people and organisations, run by Alan Chapman, in Leicester, England. In general, Businessballs materials are free to use for anyone in education, personal development, management, leadership and organisational development.

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ROK Connect Limited, 2008, last viewed 25 June 2008,
<http://www.bizhelp24.com/marketing/swot-analysis---understanding-your-business-3.html>: BizHelp24 is a UK business and finance resource providing Small Business Help, Start up Information, news and services; for individuals and Sole Traders. Comprehensively covering a wide range of key business, finance, and service topics.

For further reading:

Books
2. How to identify the innovation needs of a business problem

2.2 SWOT Analysis


**Websites**


**Glossary**

**External factors**
It is the external environment of an enterprise which includes: Social/ cultural environment, technological, political, legal, economical environment.

**Internal factors**
Porter's Five Forces include three forces from 'horizontal' competition: threat of substitute products, the threat of established rivals, and the threat of new entrants; and two forces from 'vertical' competition: the bargaining power of suppliers, bargaining power of customers. Other internal factors are: financial, human, technological resources, sales force, raw material, etc.
Positioning

In marketing, positioning has come to mean the process by which marketers try to create an image or identity in the minds of their target market for its product, brand, or organisation. It is the 'relative competitive comparison' their product occupies in a given market as perceived by the target market.

### Annex

Here is an indicative SWOT analysis template with questions to trigger your mind! Try your SWOT!

<table>
<thead>
<tr>
<th>criteria examples</th>
<th>strengths</th>
<th>weaknesses</th>
<th>criteria examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advantages of proposition?</td>
<td></td>
<td></td>
<td>Disadvantages of proposition?</td>
</tr>
<tr>
<td>Capabilities?</td>
<td></td>
<td></td>
<td>Gaps in capabilities?</td>
</tr>
<tr>
<td>Competitive advantages?</td>
<td></td>
<td></td>
<td>Lack of competitive strength?</td>
</tr>
<tr>
<td>USP's (unique selling points)?</td>
<td></td>
<td></td>
<td>Reputation, presence and reach?</td>
</tr>
<tr>
<td>Resources, Assets, People?</td>
<td></td>
<td></td>
<td>Financials?</td>
</tr>
<tr>
<td>Experience, knowledge, data?</td>
<td></td>
<td></td>
<td>Own known vulnerabilities?</td>
</tr>
<tr>
<td>Financial reserves, likely returns?</td>
<td></td>
<td></td>
<td>Timescales, deadlines and pressures?</td>
</tr>
<tr>
<td>Marketing - reach, distribution, awareness?</td>
<td></td>
<td></td>
<td>Cash flow, start-up cash-drain?</td>
</tr>
<tr>
<td>Innovative aspects?</td>
<td></td>
<td></td>
<td>Continuity, supply chain robustness?</td>
</tr>
<tr>
<td>Location and geographical?</td>
<td></td>
<td></td>
<td>Effects on core activities, distraction?</td>
</tr>
<tr>
<td>Price, value, quality?</td>
<td></td>
<td></td>
<td>Reliability of data, plan predictability?</td>
</tr>
<tr>
<td>Accreditations, qualifications, certifications?</td>
<td></td>
<td></td>
<td>Morale, commitment, leadership?</td>
</tr>
<tr>
<td>Processes, systems, IT, communications?</td>
<td></td>
<td></td>
<td>Accreditations, etc?</td>
</tr>
<tr>
<td>Cultural, attitudinal, behavioural?</td>
<td></td>
<td></td>
<td>Processes and systems, etc?</td>
</tr>
<tr>
<td>Management cover, succession?</td>
<td></td>
<td></td>
<td>Management cover, succession?</td>
</tr>
<tr>
<td>Philosophy and values?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>criteria examples</th>
<th>opportunities</th>
<th>threats</th>
<th>criteria examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market developments?</td>
<td></td>
<td></td>
<td>Political effects?</td>
</tr>
<tr>
<td>Competitors' vulnerabilities?</td>
<td></td>
<td></td>
<td>Legislative effects?</td>
</tr>
<tr>
<td>Industry or lifestyle trends?</td>
<td></td>
<td></td>
<td>Environmental effects?</td>
</tr>
<tr>
<td>Technology development and innovation?</td>
<td></td>
<td></td>
<td>IT developments?</td>
</tr>
<tr>
<td>Global influences?</td>
<td></td>
<td></td>
<td>Competitor intentions - various?</td>
</tr>
<tr>
<td>New markets, vertical, horizontal?</td>
<td></td>
<td></td>
<td>Market demand?</td>
</tr>
<tr>
<td>Niche target markets?</td>
<td></td>
<td></td>
<td>New technologies, services, ideas?</td>
</tr>
<tr>
<td>Geographical, export, import?</td>
<td></td>
<td></td>
<td>Vital contracts and partners?</td>
</tr>
<tr>
<td>New USP's?</td>
<td></td>
<td></td>
<td>Sustaining internal capabilities?</td>
</tr>
<tr>
<td>Tactics: e.g., surprise, major contracts?</td>
<td></td>
<td></td>
<td>Obstacles faced?</td>
</tr>
<tr>
<td>Business and product</td>
<td></td>
<td></td>
<td>Insurmountable</td>
</tr>
</tbody>
</table>
### 2. How to identify the innovation needs of a business problem

#### 2.2 SWOT Analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development?</td>
<td>Loss of key staff?</td>
</tr>
<tr>
<td>Information and research?</td>
<td>Sustainable financial backing?</td>
</tr>
<tr>
<td>Partnerships, agencies, distribution?</td>
<td>Economy - home, abroad?</td>
</tr>
<tr>
<td>Volumes, production, economies?</td>
<td>Seasonality, weather effects?</td>
</tr>
<tr>
<td>Seasonal, weather, fashion influences?</td>
<td></td>
</tr>
</tbody>
</table>

Source: [http://www.businessballs.com/swotanalysisfreetemplate.htm](http://www.businessballs.com/swotanalysisfreetemplate.htm)