

Well, all business organizations need to have a framework to help them to analyze their current position and then to use that information to help them to prepare for the future. There are many different ways that they can do this. Probably the best known is what's called the "SWOT analysis". This very neatly divides the problem into four areas. It's normally represented as a square divided into four parts. At the top you have the 'S' for 'Strengths' and the 'W' for 'Weaknesses'. And then on the bottom line, you have the 'O' for 'Opportunities' and then 'T' for 'Threats'. The idea is that if you analyze a business using these four criteria, then you should have the basic information to allow you to map out what the best strategy might be. Under 'Strengths', you would put the things that it does well, and then under 'Weaknesses', the things that it doesn't do quite so well. That leaves two spaces – one for 'Opportunities' that the company is in a position to exploit, and one for 'Threats' – the dangers that it will be exposed to in its markets in the future.

