

Bba 6th Sem Business Policy

By:–

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SWOT ANALYSIS

- ▶ **STRENGTH**
 - ▶ **WEAKNESS**
 - ▶ **OPPOURTUNITY**
 - ▶ **THREAT**
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INTERNAL ENVIRONMENT

Strength: It is an inherent capacity which an organization can use to gain strategic advantage. Eg good reputation among customers, resources, assets, people, experience.

Weakness: It is an inherent limitation or constraint which creates strategic disadvantages. Eg gaps in capabilities, financial deadlines, low morale etc



EXTERNAL ENVIRONMENT

Opportunity: It is a favorable condition in organization's environment which enables it to consolidate and strengthen its position. Eg economic boom, favorable demographic shifts, arrival of new technologies etc

- ▶ Threat: It is an unfavorable condition in organization's environment which creates a risk for, or causes damage to organization. Eg economic downturn, demographic shift etc

Benefits of SWOT analysis

- ▶ Simple to use
 - ▶ Low cost
 - ▶ Flexible and can be adapted to varying situations
 - ▶ Leads to clarification of issue
 - ▶ Development of goal alternatives
 - ▶ Useful as a starting point for strategic analysis
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Organizational Appraisal

- ▶ An **Organisational Appraisal** is a process which can look at an organisation and appraise it in a given context. Some tools appraise an organisation in preparation of an award (for example, EFQM, Business Excellence, Baldrige, Investors in People etc) others look at the performance of an organisation in preparation for a buy-out/ buy-in, raising venture capital etc.
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- ▶ The Term *Organisational Appraisal* a holistic approach.

