

Business

SWOT Analysis

1. How important are each of these factors for Nike.

Key

I – Importance	1 – Not important 10 – Very important
C – Compared to competitor	Strength 1 – Almost the same 10 – much better Weakness 1 – Almost the same 10 – much worse
L – Likelihood	1 not likely to happen 10 going to happen
T – Total	Multiply the two figures together to give you the top items to address

Strengths	I	C	T	Weaknesses	I	C	T
<ul style="list-style-type: none"> Nike thinks laterally instead of sponsoring the Olympics they spent less on sponsoring some of the athletes and gained valuable coverage. Nike has no factories. It does not tie up cash in buildings and manufacturing workers. This makes a very lean organization. Nike is strong at research and development, as is evidenced by its evolving and innovative product range. Nike is a global brand. Its famous 'Swoosh' is instantly recognizable. 				<ul style="list-style-type: none"> Heavily dependent upon footwear sales It does not have control over its manufacturing process Its purchasing strategy leaves it open to ethical questions 			
Opportunities	I	L	T	Threats	I	L	T
<ul style="list-style-type: none"> Nike is a youth fashion brand. This provides an opportunity to encourage people to buy new shoes for each season. Develop products such as sport wear, sunglasses and jewellery. Emerging markets such as China and India have a new middle class with disposable income. 				<ul style="list-style-type: none"> It buys and sells in different currencies and so costs and margins are not stable over long periods of time. Such an exposure could mean that Nike may be manufacturing and/or selling at a loss. Competitors are developing alternative brands to take away Nike's market share. The retail sector is becoming price competitive. This ultimately means that consumers are shopping around for a better deal and may not stay loyal to a brand. 			

Business

SWOT Template

Look at a company you know well and list the key factors for them. Use the marketing mix to help. (Price, Place, Product and Promotion)

Strengths	I	C	T	Weaknesses	I	C	T
Opportunities	I	L	T	Threats	I	L	T

Business

Teacher's Notes

This is one of those exercises where it does not matter what results come out, but the thinking behind them. One of the problems with SWOT analyses is that sometimes they do not focus on what is important to the company or likely to happen. This can tie up valuable management resource in dealing with events that never happen. If you are doing commercial training then it is good to set this lesson up as a workshop or brainstorming session.

Strengths and Weaknesses

Strengths and Weaknesses are about the company themselves compared against their competitors. So they should always be compared to other industry players or people likely to enter the market. If your company uses Email to communicate and your competitors use Snail mail then this is a strength for your company. However if your competitors use real-time databases then this could be a weakness. That said does it really make a difference for the business you are in?

Opportunities and Threats

Opportunities and Threats are external to your company. They could be industry players, companies entering and leaving the market, government actions or the economy.

Internal and External Combination

Most market analysts recommend:

- Using your strengths to create opportunities
- Minimise your weaknesses to deal with threats.

Some weaknesses, opportunities and threats maybe so important that you have to deal with them regardless of strength.

Organisational SWOT analyses

The blank SWOT analysis is an effective form of conclusion to a group SWOT brainstorming. The best way to do it is via a round of mindmaps. Brainstorm each of the elements individually and then bring them together on the sheet. From there groups can assign the values to each area.