



The SWOT Analysis and Strategic Planning Framework



Written by **Cole Abbott** • Updated: September 26, 2024 • 14 Minute Read

Welcome to Founder's Framework, offering full access to objective, informational, and researched articles on core business frameworks — aggregated into a single, organized space.

This article provides a detailed overview and expert insights on the SWOT Analysis model to help leaders select the appropriate framework to support business growth and sustainability.

At a Glance

Framework: SWOT Analysis

Creator: Albert S. Humphrey

Stage of Development: [Stage 1: Survive](#)

Core Competency: [Vision](#)

Business area: Strategy

Change Required: Low change management level

Key pain points addressed:

- Lack of clear strategic direction
 - Challenges in informed decision-making
 - Inefficient utilization of strengths
 - Underestimation of competitive threats
 - Overlooking growth opportunities
-

What Is the SWOT Analysis Framework?

SWOT analysis is a structured strategic planning method that systematically evaluates an organization's internal and external environments. It provides the framework for identifying and analyzing the factors influencing an organization's success or failure.



“WHAT IS GOOD IN THE PRESENT IS **SATISFACTORY**, GOOD IN THE FUTURE IS **OPPORTUNITY**; BAD IN THE PRESENT IS A **FAULT**, AND BAD IN THE FUTURE IS A **THREAT**. HENCE S-O-F-T. THIS WAS LATER CHANGED TO SWOT.”



ALBERT S. HUMPHREY
SWOT ANALYSIS FOR MANAGEMENT CONSULTING

Who Created SWOT Analysis?

The SWOT analysis framework was developed in the 1960s by Albert Humphrey, a business and management consultant at the Stanford Research Institute, now known as **SRI International**. Humphrey’s research — funded by Fortune 500 companies — aimed to understand the reasons behind corporate planning failures and create a new system to manage change.

Humphrey, along with Robert Stewart, Marion Doshier, Dr. Otis Benepe, and Birger Lie, interviewed 1,100 organizations via a 250-item questionnaire. This research identified a critical gap between internal organizational activities and external market conditions, which led to the development of the SWOT framework.

KEY TERM

Strategic Planning

The process of defining an organization’s long-term direction and deciding how to allocate resources to pursue this strategy by setting goals, determining actions to achieve goals, and executing the actions.

Key Elements of a SWOT Analysis

SWOT is an acronym that stands for strengths, weaknesses, opportunities, and threats. Each element serves a specific purpose, as outlined below.

1. **Strengths.** Strengths are the internal attributes and resources that give an organization a competitive advantage. These are the areas where a business excels and differentiates itself from competitors. Identifying strengths is crucial because they form the foundation of strategic planning. It also allows companies to focus their strategies on areas where they have an advantage, helping them maintain or improve their market position. Examples of strengths can include:

- Strong brand reputation
- Unique skills or expertise
- Loyal customer base
- Efficient processes
- Robust financial position

2. **Weaknesses.** Weaknesses are internal limitations that may hinder a company's ability to achieve its goals and objectives. These are the areas where the organization needs improvement or lacks resources compared to competitors. Identifying weaknesses is imperative for risk management and strategic planning, as potential issues can be addressed before they impact performance. Examples of weaknesses may include:

- Outdated technology
- High employee turnover
- Poor brand reputation
- Limited financial resources
- Inefficient supply chain

3. **Opportunities.** Opportunities are the external factors or trends that an organization can exploit to its advantage. These are the elements that provide the potential for growth, improvement, or expansion. Identifying opportunities helps organizations position themselves proactively to take advantage of favorable market conditions. Examples of opportunities may include:

- Strategic partnerships
- Technological advancements

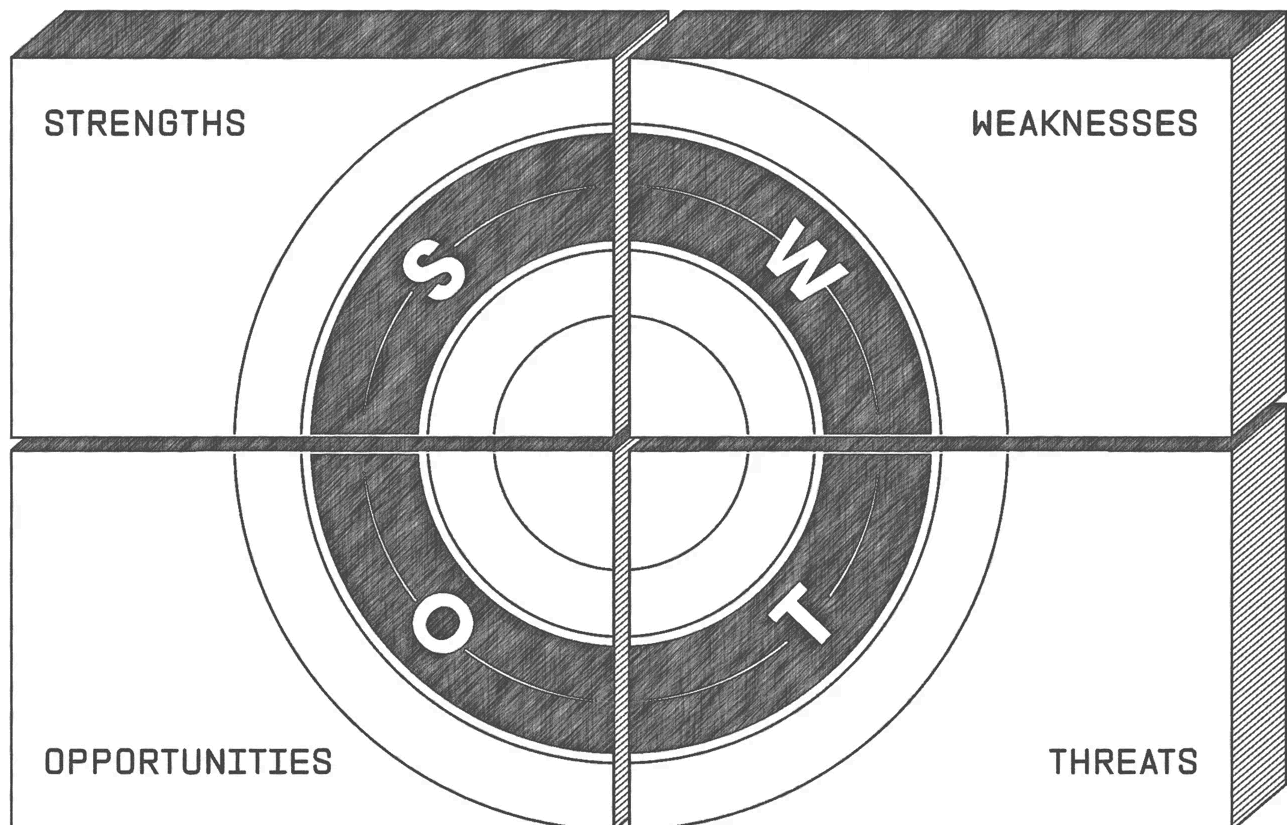
- Shifts in consumer behavior
- Emerging markets
- Regulatory changes

4. **Threats.** Threats are external factors that have the potential to harm an organization or its performance. These elements are outside a business's control and pose risks to achieving goals and objectives. Identifying threats is crucial for strategic planning and risk management because it helps organizations prepare for and mitigate potential adverse impacts. Examples of threats could include:

- Supply chain disruptions
- Economic downturns
- Regulatory challenges
- Intensified competition

Also known as:

- SWOT Matrix
- TOWS Analysis
- Internal-External (IE) Matrix



Key Pain Points Addressed

SWOT analysis was developed to address common Stage-1 organizational challenges, including:

- ✓ **Lack of clear strategic direction.** Many organizations lack a clear strategic direction. They often find themselves caught up in day-to-day operations without a well-defined plan for growth or improvement. The absence of a strategic road map leads to inefficiencies and missed opportunities. This can happen when companies don't fully understand their market position or how to achieve long-term objectives.
- ✓ **Challenges in informed decision-making.** Making decisions can be complex. This is especially true for leaders who frequently need to balance multiple factors, such as financial constraints, resource allocation, and market dynamics. Without a structured approach to evaluating these elements, organizations can struggle to make informed decisions that align with their strategic goals, resulting in reactive rather than proactive strategies.
- ✓ **Inefficient utilization of strengths.** Businesses most likely possess valuable assets, such as skilled team members, unique capabilities, or proprietary technology. However, they often fail to use these assets effectively to gain a competitive advantage. This can stem from a lack of strategic focus or insufficient recognition of how these strengths align with market opportunities.
- ✓ **Underestimation of competitive threats.** Organizations can underestimate or fail to adequately recognize external pressures and competitive threats. This could be due to limited resources to perform market analysis or a lack of focus on external environmental scanning. As a result, businesses can find themselves vulnerable to shifts in the competitive landscape, regulatory changes, or other external factors that could negatively impact their market position.
- ✓ **Overlooking growth opportunities.** Businesses may struggle to identify and capitalize on growth opportunities because they are focused on maintaining current operations. This can limit their ability to explore new markets, innovate, or engage in strategic partnerships — resulting in missed growth and revenue expansion opportunities.

Addressing the above challenges through a structured SWOT analysis can help organizations gain a clearer understanding of their strategic position. This framework helps them identify and leverage strengths, address weaknesses, seize opportunities, and mitigate threats, enhancing strategic planning and decision-making processes.

When You Should Apply SWOT Analysis

SWOT can be applied in organizations starting at **Stage 1 (Survive)** of Ninety's Stages of Development. A Stage 1 organization:



Is usually new in the startup environment with few core elements established (such as structure, process, market fit).



Is focused on proving product/market fit and keeping the lights on.



Has a founder whose main focus is on the next 3 months.

PROs and CONs of SWOT Analysis

As you evaluate this framework, consider the top pros and cons:

PROs

- ✓ Provides a balanced, holistic view of both internal and external factors affecting an organization.
- ✓ Simplifies strategic planning with an easy-to-implement framework requiring minimal resources.
- ✓ Encourages strategic thinking by systematically evaluating an organization's internal capabilities and external conditions.
- ✓ Facilitates collaboration and communication by involving various stakeholders in the analysis process.
- ✓ Adapts to a variety of strategic applications – from product development to risk management and entering the market.

CONS

- ✗ May introduce subjectivity and bias due to reliance on personal judgment during the analysis.
- ✗ Can lack quantitative data, which requires supplementary methods to provide a comprehensive assessment.
- ✗ May oversimplify complex issues by categorizing them into broad categories, which could potentially cause nuances to be overlooked.
- ✗ Can offer limited actionable guidance that may necessitate additional steps to translate insights into strategies.
- ✗ May capture only a static snapshot that can quickly become outdated due to market changes.

TLDR: SWOT Analysis in Summary

SWOT analysis is a strategic planning tool that helps businesses identify their strengths, weaknesses, opportunities, and threats. It was developed in the 1960s and is now widely used by organizations of all sizes to gain insights into their internal and external environments.

SWOT aligns with organizations that are new, in the startup environment, and focused on providing market/product fit (and keeping the lights on) while having a founder whose main focus is on the next three months.

While SWOT has many pros, including simplifying strategic planning and providing a balanced view of internal and external factors, there is a lot to consider before making the move to implement it. With this in mind, working through the Guided Approach section below will help you determine if SWOT is a good fit for your organization and the next steps required to introduce it.



Guided Approach to a SWOT Analysis

If you think a SWOT analysis is a good fit for your organization, the following offers a guided approach to support your efforts:

Assemble a cross-functional team.

Gather a diverse group of **Ideal Stakeholders** from various departments, such as finance, operations, marketing, and human resources. Doing this ensures multiple perspectives are considered, which will lead to a more holistic and balanced analysis.

Define clear objectives.

Clearly outline the purpose of the **SWOT analysis** and what the organization aims to achieve. This will help focus the analysis on relevant areas and ensure that the findings are aligned with strategic goals.

Conduct a thorough internal and external assessment.

Identify the organization's strengths and weaknesses (internal factors) and opportunities and threats (external factors) by collecting data and insights. Performing a comprehensive assessment ensures that all critical elements that affect the organization's strategic position are captured.

Organize findings into a SWOT matrix.

Create a 2x2 grid matrix that visually categorizes the identified factors into strengths, weaknesses, opportunities, and threats. This ensures information is organized in a structured format that is easy to analyze and interpret.

Analyze and prioritize key factors.

Evaluate the significance of each factor and prioritize them based on how they can potentially impact the organization's objectives. This helps focus strategic efforts on the most critical areas that can influence success.

Develop strategic action plans.

Formulate specific strategies and action plans that use strengths, address weaknesses, capitalize on opportunities, and mitigate threats. This ensures that the analysis contributes to the organization's strategic planning efforts.

Review and monitor progress regularly.

Set up a regular review process to monitor the implementation of strategic actions and update the SWOT analysis as needed. Continuous monitoring helps you track progress, assess the effectiveness of strategies, and adapt to any internal and external changes.

Communicate findings and actions.

Share the results of the SWOT analysis and the resulting strategic actions with all relevant stakeholders to ensure everyone in the organization is aligned and understands their role in executing the plan.

Implementing any new business framework is a significant organizational change that requires leadership commitment and a significant time investment for you to fully realize its value. Approach implementation systematically with a concrete plan in place. Also be prepared to make adjustments along the way to ensure long-term success.

Take Ninety

At Ninety, we believe that a [SWOT analysis](#) is an essential tool for any organization at any Stage of Development, but it's especially useful for [Stage 1](#) companies looking to align their strategic framework with their long-term vision and goals.

SWOT is one of the tools we recommend in our [Vision Builders Workbook](#) to help founders and Senior Leadership Teams uncover the internal and external factors that may impact their ability to accomplish their organization's vision.

SWOT analysis starts by focusing on internal factors. By identifying what the company does well (strengths) and where it could improve (weaknesses), businesses can then turn to external factors with a better understanding of their market positioning. Opportunities represent potential areas for growth while threats highlight external challenges that can hinder progress. Using the SWOT 2x2 matrix in Ninety's [Vision tool](#) to map these elements visually allows teams to see how they intersect and interact.

We recommend conducting a SWOT analysis regularly to ensure that the strategy remains aligned with the company's evolving goals and objectives. SWOT elements can easily be converted into a long-term [Issue](#) or a [To-Do](#) in the Ninety platform to become a [Rock](#) candidate or a topic of discussion during the next [Quarterly Planning Meeting](#) or [Annual Planning Meeting](#).

The overall purpose of a SWOT analysis is to assist in developing a strategic plan to set — and achieve — [Compelling and Audacious Goals](#).

Next Steps

For those ready to take action, consider these actionable steps:

- 🕒 Do you know how to turn your company vision into reality? Discover the [6 essential elements to building a strong vision](#).
- 🕒 Don't know what Stage of Development your company is in? Complete the [Stages of Development assessment](#) to find out.
- 🕒 What other frameworks would help a company focus on scaling? Find more options in our [Stage 1 frameworks](#).

- ⦿ What does it mean to master the Vision Competency in your company? **Discover the areas to focus on.**
- ⦿ Are you being intentional about how your business operates? Find out **where your company's approach ranks.**

🏷 Tagged with: **Productivity**, **People**, **Stage 3: Scale**, **Organizational Structure**, **Stage 2: Sustain**, **Stage 1: Survive**, **Stage 4: Succeed**, **Stage 5: Steward**