SWOT Analysis Guide & Worksheet

This SWOT analysis guide and worksheet is a compilation of answers to the question "Where do I begin to define strengths, weaknesses, opportunities, and threats?" from our newsletter series.

It's been prepared to provide guidance in how to perform a SWOT analysis within your own business.

Get Ready & Strengths
A: Start with strengths (find out how below)

Okay, so we're talking about a SWOT analysis here. For those unfamiliar, a SWOT analysis evaluates your company's competitive position in the market and is foundational for developing your strategic plan.

Strengths and weaknesses data come from internal sources and address those two topics related to your company.

Opportunities and threats data are external forces that may have uncontrollable impacts on decisions. Your SWOT may be a broad-brush exercise (where do we stand) or it may be used for specific decision making (a product or service offering).

It would be difficult to cover all four characteristics of a SWOT analysis in one newsletter article, so I will break it up to keep each article reasonable in length.

Let's get started.

Step 1—Set your SWOT objective. What are you analyzing? Is it the whole company and your general position, or are you analyzing different services or products you offer to see how those compare against each other and the market?

A SWOT analysis can also be performed on a division, an industry, or a competitor. Because of the broad applications, it's important to be clear in your objective for the team.

Step 2 – Get your team together. This should be as diverse as possible. Also, don't limit your team to just those within the company or just management. Include all stakeholders, like a team member from each department's front line, customers, suppliers, community, and government agencies. If it's just you, it's even more important to try and diversify your input with external team members to address blind spots.

The four areas of SWOT analysis focus on internal and external data, so having a diverse team of internal and external team members will give you a full, true, and more valuable picture of your company's place in the market, setting up for a good analysis and strategic foundation.

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Step 3 – What are your strengths? Really zero in on what really makes you different from your competition.

I can pretty much guarantee that if I polled 10 HVAC companies in a city and asked them what their strength is, most would say “our level of customer service.” Okay, if they all say their level of customer service is their main strength, then what is the competitive edge of one over the other? If there isn’t one, there is no reason for a customer to choose one, as any HVAC company will do, since they all have exemplary customer service.

The point here is to get value from this SWOT exercise, so you need to go beyond doing it for the sake of just going through the motions. Recognize things like when you’re saying the same things your competitors are saying, and do it to understand how to move your company from being the same as everyone else into a unique and leading position.

Weaknesses

In the last newsletter, we covered the initial steps needed to begin your SWOT analysis and then began analyzing Strengths. If you missed it, you can read it here: http://bit.ly/3SIV0k2.

This newsletter will briefly cover how to evaluate and capitalize on weaknesses.

What is the purpose of analyzing weaknesses? To improve your business’s performance and strategic planning. That’s nice jargon, but what does it mean?

In the last steps, the data collection and processing team will use the same stakeholders to help you identify your business weaknesses. Let’s say we get feedback from a customer who says, “I bought from you, and I never heard from you again until your sales rep wanted another order. It’s not a big problem; I just felt like I was being used and my business didn’t matter.”

When collecting data, it’s good to acknowledge any feedback, especially negative feedback, like in this case, “Wow, I am sorry that you experienced that, and I appreciate you being open enough to be candid on how interacting with us impacted you. It’s so opposite of how we want our customers to feel, and it hurts me to think we contributed to that experience you had.”

Let them air their experience more if needed. Listening further is important, and it can also reveal more details to help you strengthen your relationships and improve your business.

In short, let’s say you collect data from customers and find that they indicate, through different experiences, that doing business with you is more transactional and less relational.

Transactional businesses have their place, usually providing short-term income with low loyalty rates. Still, many studies show that businesses operating on a relational foundation make more profit over a longer period of time and have high customer loyalty. If you are a relational person by nature, you probably already sense this.

According to HubSpot, “companies that prioritize relationship marketing make 60% more profit over time through customer loyalty.”

In our case above, where the customer felt transactional about doing business with you, we first want to look at the data and analyze whether the issue is real or can be validated. One customer, that’s going to happen, guaranteed. But when you start homing in on this and find that you have groups of customers with a similar feeling, plain and simple, it’s hurting your long-term profitability.

In this very specific case, the customer felt alienated because the only contact was to ask for more business. Some feel that you are taking from them instead of continuing to understand them and how to solve their problems. Some customers, i.e., buyers, are used to this, and it doesn’t necessarily bother them. Having said that, we could just add procedures that follow up with customers without asking for more business at that time.

Practically, we take the one call asking for business and make two calls, one to say, “Hi (name), no sales call today. I just really wanted to tell you how much I appreciate you allowing us to do business with you.” (Listen if needed.) I also wanted to make sure we took care of you and ask if there’s anything at all you think we could have done better for you. “Full stop! Listen…

Again, here’s what makes the difference…actually listen to them, empathize if needed, and do something if they make requests or suggestions. You won’t be able to fulfill every request or suggestion, but just trying and saying you can’t implement it for whatever reason shows you not only listened but respected their input enough to try.

This is relationship building, which is used if you want to be a more profitable relational business with a loyal customer base. You absolutely must be genuine in your business—more genuine than your competitor, more caring than your competitor, and much more relational than your competitor.

This is just one very specific example to help illustrate how the analysis works and what you could do with the data collected to improve profitability.

For some of you, it probably just sounds like common sense, but I’ve worked with companies that will sell business-to-consumer products valued at hundreds of thousands of dollars per transaction without a post-sale follow-up.

They make revenue and have many relational customers, but their profit and customer loyalty are much weaker than they could be. Their only saving grace is that they have no real competition in their space…for the moment.

The scenario here included a customer service weakness. I've included a list of other potential weaknesses provided by Google search for your team to use simply as a reference. It's not all-inclusive, but hopefully, it can spark some conversations and improvement towards strengthening your business.

Potential points of business weakness to watch out for:

Poor Customer Service:
This can lead to lost customers and damage the brand's reputation.

Lack of Innovation:
Failing to adapt to changing market conditions can result in a company falling behind competitors.

Weak Leadership:
Poor leadership can lead to low morale, high turnover, and lack of strategic direction.

Inefficient Processes:
Inefficient workflows and systems can waste resources and reduce productivity.

High Turnover:
A high turnover rate can disrupt operations, increase training costs, and damage morale.

Limited Resources:
Lack of capital or funding can hinder growth and innovation.

Negative Reputation:
A bad reputation can damage customer trust and loyalty.

Financial Instability:
Fluctuating cash flows, high debt, or poor financial management can threaten a company's survival.

Lack of a Strategic Plan:
Without a clear strategic plan, a company may struggle to identify opportunities and achieve its goals.

Undocumented Systems/Business Processes:
This can lead to confusion, inefficiencies, and difficulty in training new employees.

Outdated Technology:
Sticking to outdated technology can make a company less competitive and efficient.

Lack of a Customer Relationship Management (CRM) System:
This can hinder the ability to effectively manage customer interactions and relationships.

Limited Visibility of Financial Data:
Lack of accurate financial data can make it difficult to make informed decisions.

Poor Sales Process:
A poorly defined or outdated sales process can lead to lost opportunities and reduced revenue.

Lack of a Strong Brand:
A weak brand image or lack of recognition can make attracting customers and building a loyal customer base difficult.

Inadequate Supply Chain:
A weak supply chain can lead to delays, shortages, and increased costs.

High-Cost Structure:
A high-cost structure can make competing with companies with lower costs difficult.

Poor Cost Efficiencies:
Inefficient use of resources and money can hurt profitability.

Tight Profit Margins:
Low profit margins can limit a company's ability to reinvest in the business.

Weak Financial Reserves:
Insufficient financial reserves can make weathering economic downturns or unexpected expenses difficult.

Weak Profitability Levels:
A lack of profitability can make attracting investors and sustaining the business difficult.

Difficulty Delegating:
Managers who struggle to delegate tasks may become overwhelmed and unable to effectively manage their team.

Lack of Confidence:
This can lead to hesitancy in taking risks and making decisions.

Emotional Intelligence:
Low emotional intelligence can hinder effective communication and relationships, leading to conflicts and decreased productivity.

Ineffective Time Management:
Poor time management can lead to missed deadlines, decreased productivity, and stress.

Lack of Feedback:
A lack of constructive feedback can hinder employee growth and development.

Resistance to Change:
An unwillingness to adapt to change can make a company less competitive and agile.

Sensitivity to Criticism:
Being overly sensitive to criticism can hinder the ability to learn and grow.

Absence of Accountability:
A lack of individual accountability can lead to reduced efficiency and poor performance.

Conflict Avoidance:
Avoiding conflict can prevent issues from being addressed and can damage relationships.

Lack of Alignment:
A lack of alignment within the organization can lead to disengagement and reduced productivity.

I'm going to add one more, and I think it is one of the most critical weaknesses: Lack of Clarity. I am a strong proponent of crystal clarity and laser focus.

If you don't have clarity in the foundational aspects of your business, which include core values, mission (your why and what), vision (a future state, where you're going), and specific, clear goals to get there…the foundation is a weakness, and a small business's very limited resources are almost certainly being wasted.

That's it for weaknesses.

Opportunities
In this newsletter, we cover my favorite part of a SWOT analysis: opportunities!

In the last two newsletters, we covered the initial steps needed to begin your SWOT analysis, focusing on strengths and weaknesses. If you missed them, you can read them here http://bit.ly/3SIV0k2 (Initial steps and Strengths) and here http://bit.ly/4dTKwYT (Weaknesses).

What is the purpose for analyzing opportunities?

Many of us, when starting our businesses, took whatever we could to create cash flow. It's not a bad thing when starting out and it's pretty common to do that.

However, as our business evolves, we must ensure that we are not seizing every opportunity just because it presents itself. Why not? Because not all opportunities are created equal.

Without analysis, we don't really know which opportunities best use our scarce resources for our greatest possible return.

Further, we may find our greatest opportunities simply by being intentional in looking for them and then matching them with our internal strengths to maximize potential return.

We can look both internally and externally, but for this scenario, which is typical, we'll talk about external-facing opportunities.

Ensure your team first defines the objective for this part of the SWOT analysis so that it's clear to everyone what they are trying to accomplish; otherwise, resources could be wasted.

Your team should again use the same processes and stakeholders mentioned in the first newsletter, this time to gather data to identify opportunities that appear favorable to your business.

Sources for opportunity information and data can include:

● General Market Research: Analyze market trends, general customer behavior (not just yours), and emerging opportunities.

● Competitor Analysis: Identify your key competitors, their strengths and weaknesses, market share, and what strategies they are using.

● Industry Reports and Periodicals: Research or purchase industry reports and publications to understand industry dynamics, regulatory changes, technological advancements, and competitor announcements.

● Economic and Geopolitical Conditions: Review economic and geopolitical trends that could impact your business.

● Customer Feedback: Critically, talk to your customers, and understand their needs, preferences, ideas, and satisfaction levels.

● Social Media: Monitor social media for brand mentions of both yours and your competitors, customer reviews, and any emerging trends.

Once your team has the information and data, the opportunities analysis begins.

As the information is reviewed, the team should look for external factors that could benefit your business, such as new or growing markets, tech advancements, or changes and trends in customer needs and preferences.

Here’s a quick example: An aero manufacturing OEM had a strong North American market. After gathering data and analyzing opportunities, they decided that the best opportunity was to make new product development a second priority, versus greatly expanding market approvals for existing products.

Market approvals did not require extra engineering, tooling, fabrication, facilities, or additional certification work; it is an administrative exercise with much lower entry fees and can generally be accomplished much quicker than new product development and certification.

Expanded market approvals opened new market sales. This became the best return on investment opportunity realized in more sales, profit, and company growth.

I should point out that opportunities data, along with all the previous data, will be used to identify threats, but we will cover that in the next newsletter.

After identifying potential opportunities, it’s time to prioritize them based on a combination of greatest impact and highest feasibility in descending order.

Now that you have a well-researched, data-driven list of opportunities organized by greatest return and which are most feasible, it’s time to decide which opportunities will be incorporated into your overall business strategy.

Developing the strategy is like we mentioned in previous blog posts. In this case, develop specific strategies that leverage your strengths to capitalize on opportunities as you have prioritized them.

Ensure that each strategic goal is actionable, with clear responsibilities and timelines, and that it aligns with your overall organizational goals.

Nothing happens without resources being allocated; make sure you do this effectively to support the implementation of your chosen strategic goals.

Lastly, don’t forget to monitor your strategic results and adjust or pivot as needed.

Next newsletter, I'll wrap up this answer series with "Threats" and provide a free SWOT analysis worksheet download for your use.

Threats

This is the final newsletter in the SWOT analysis series, where we provide information on how to do a threat assessment.

This should be short as most of what we covered in the last three newsletters in the series also applies to analyzing threats.

I'll cover a few specifics pertaining to threats, but the resources used and the process for analysis and strategic action are the same as those we covered previously. All of which are available on the JH Aero blog and can be downloaded along with a worksheet here. https://jhaero.com/wp-content/uploads/2025/06/JH-Aero-SWOT-Analysis-Guide-Worksheet.pdf

Like opportunities, threats are usually viewed from an external perspective and represent factors that could potentially harm your business operations or success, and again this should be clearly outlined in the objectives for the SWOT analysis team.

Since we have already identified where we are going to get our data from in the past newsletters, here's a list of specific types of threats:

- Economic changes: A recession or economic slowdown can lead to reduced spending, which in turn impacts sales and revenue.
- Increased competition: New or existing competitors entering the market can erode market share and create pressure on pricing and profitability.
- Technological changes: Rapid technological advancements can render existing products or services obsolete, requiring significant investments in research and development, or a pivot.
- Regulatory changes: New laws or regulations can increase compliance costs, operational complexity and stability, potentially impacting profitability.
- Supply chain disruptions: Interruptions to the supply chain due to natural disasters, political instability, or other factors can disrupt production and delivery.
- Rising costs: Increased costs of raw materials, labor, or other inputs can erode profit margins and competitiveness.
- Social perception: Negative publicity or public opinion regarding your company's practices can damage its reputation and brand image. There can be changes in public opinion regarding entire industries and manufacturing in general, which can affect future growth potential.
- Natural disasters: Events like wildfires, earthquakes, floods, or hurricanes can disrupt operations, damage facilities, and impact supply chains.

If you review this list and look for opportunities, you'll see it's basically the opposite for threats. The exercise of analysis of the data is very much tied together with opportunities and can be done when looking in the same data set.

Threat example not on the list: Lawsuits.

While reviewing causes for Chapter 11 bankruptcy cases, I expected to find overwhelmingly that the cause was financial troubles resulting from mismanagement.

The first two major case studies I read were financial death brought on by an onslaught of suits filed against the companies.

You may think that this scenario is for "big" companies, not necessarily.

In my past life as an aerospace CEO, I saw small aerospace companies being pursued by a handful of attorneys who appear to do nothing but target every aerospace company and its suppliers. It didn't matter to them, whether big or small, regardless of claims that may be founded or unfounded.

Thankfully I did my due diligence and hired the best in the business at the time. It paid off when the company was targeted by a legal outfit boasting $9 billion in "wins" for their clients.

I got a free lunch out of the deal when my previous employer asked to buy me lunch as a way of saying, "Whew! Thanks for covering our butts."

Speaking of lawsuits, something I learned was to not over-insure a business. According to various product liability individuals I spoke with I wanted to insure just enough to not become a target for lawsuits.

How much is enough but not too much? Great question that you'll have to research and answer for yourself with your attorney and insurer. In our scenario it was $10M in product liability insurance.

Remember, anyone can sue anyone for anything. If your business were named in a suit would this be a threat?

Threats may not be comforting to think about, but being informed creates its own opportunity for making better decisions.

Finally, follow the process of analyzing the threats and sort them from highest threat/most likely to lowest threat/least likely. Identify potential threats as part of your strategic action plan and address those that are feasible to mitigate.

Create your actionable strategic goals and monitor your results so you can adjust as necessary.

Again, you can download the entire SWOT analysis answer series and worksheet here.https://jhaero.com/wp-content/uploads/2025/06/JH-Aero-SWOT-Analysis-Guide-Worksheet.pdf

Need help setting your strategic foundation? Let's chat.

Never any sales pressure, a no-charge initial consult, and a simple zero risk guarantee…you receive higher value over cost, or you don't pay.

You can email me at ghojan@jhaero.com or call my cell at 208-627-2565.

Step 1 - Create the team with internal and external stakeholders
Step 2 - Set SWOT objective
Step 3 - Gather information for each of the four SWOT segments using this worksheet
Step 4 - Review (analyze) each segment's information
Step 5 - Create strategic plan/adjustments based on information using SMART goals
Step 6 - Assess resources needed to meet goals and commit those resources.
Step 7 - Act on goals, measure results.
Step 8 - Review and adjust.

STRATEGIC REASONING		
Internal Factors	***External Factors***	
	Opportunities	**Threats**
Strengths	Comparative Advantage: Leverage your strengths and capitalize on best opportunities	Activation: Activate strengths to avoid threats or turn a threat into an opportunity
Weaknesses	Invest: Work on improving your weaknesses and turning them into strengths	Risk Mitigation: Control or minimize potential damage to our team or business

Strengths

1. What do we do better than any other competitor?

2. How are we unique from competitors?

3. What are our assets, and which are the strongest?

4. What unique resources do we have?

5. What do stakeholders say we do well?

6. What is great about our team and culture?

7. Is our competitive advantage sustainable?

8. Other strengths?

Weaknesses

9. What areas do we have for the most improvement?

10. What areas are we lacking in?

11. What areas do our competitors have an edge over us?

12. What resources are we lacking?

13. Where are we inefficient?

14. Is our mission overly broad or unclear?

15. What are we neglecting that is controllable?

16. What factors make us lose customers/vendors/employees/reputation?

17. Other weaknesses?

Opportunities

18. What external changes in our industry present interesting opportunities?

19. Is there another complimentary business that we can partner with?

20. Is there an unmet need in our industry that we can uniquely fill?

21. Is there another complimentary business that we can partner with?

22. Is there an underserved niche in our industry that could benefit from what we do?

23. What facilities, resources or personnel could we acquire (or give up) to improve our position?

24. Can we take advantage of technology, and how would we?

25. What market, economic, environmental, geopolitical or societal shifts or trends could provide us benefit?

26. How can we use marketing media and press outlets to our advantage?

27. Other opportunities?

Threats

28. Who or what (outside of our business) could endanger our mission, vision, and goals?

29. What obstacles stand in the way of our goals?

30. What businesses are we duplicating or competing with?

31. Do we have any stakeholders (employees, vendors, etc) we rely on for critical steps in our process that could possibly derail our business or timelines?

32. What market, economic, environmental, geopolitical or societal shifts or trends could endanger our competitive edge?

33. Do we have negative press or community backlash risk?

34. Other threats?