Chapter 3 SWOT analysis

Key terms

- 1. External audit: an audit of the external environment in which a business finds itself, such as the market within which it operates or government restrictions on its operations.
- 2. Flotation: the sale of company shares to public for the first time. The shares are then traded on the stock market.
- 3. Internal audit: an analysis of business itself and how it operates.
- 4. Strategic planning: a process which involves making the vision for the future of a business easier to understand. It also involves identifying the goals that need to be achieved in order to realize that vision.
- 5. SWOT analysis; an analysis of the internal strengths and weakness of the business
- 6. and the opportunities and threats presented by its external environment.
- 7. Trade association: an organization whose members are all involved in same industry or trade. The organization pursues the interests of these businesses.



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1. Gathering information to help develop a strategy

- 1.) The internal audit: an analysis of the business itself and how it operates. such as products and their costs.
- 2.) The external audit; an analysis of the environment in which the business operates. The audit should analyse size and growth of market, characteristic of customers and the product offer.

2. What is SWOT analysis?

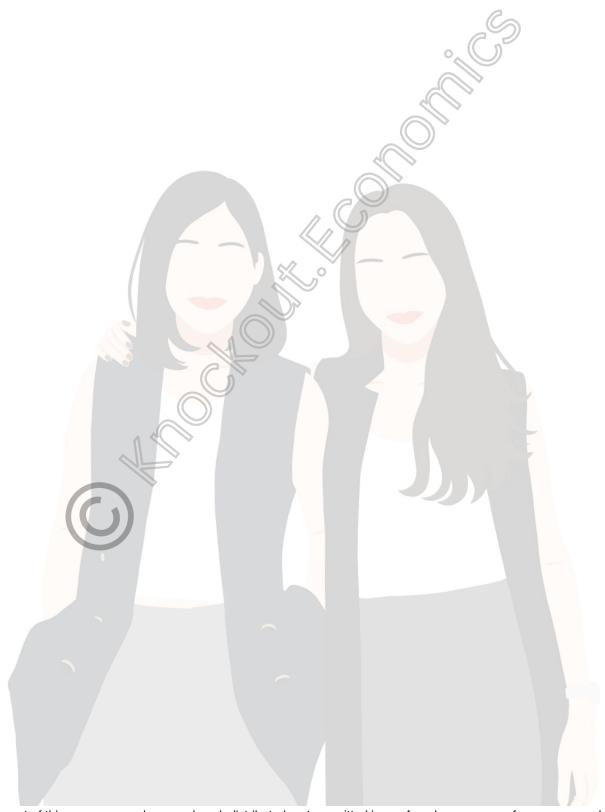
- Swot analysis; an analysis of the internal strengths and weakness of the business and the opportunities and threats presented by its external environment.
- 1. Strengths
- 2. Weaknesses
- 3. Opportunities
- 4. Threats

3. SWOT analysis can be used to develop corporate strategies

- 1. decide which new product to launch.
- 2. design new meting strategy
- 3. prepare new business venture.

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