

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.



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.



