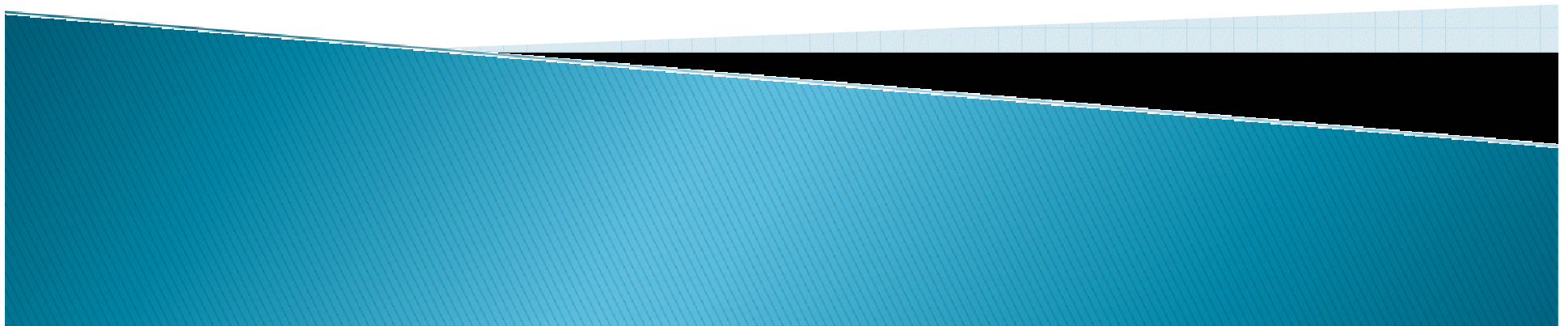


# SWOT ANALYSIS OF A COMPANY

– By Pioneer Institute of Professional Studies

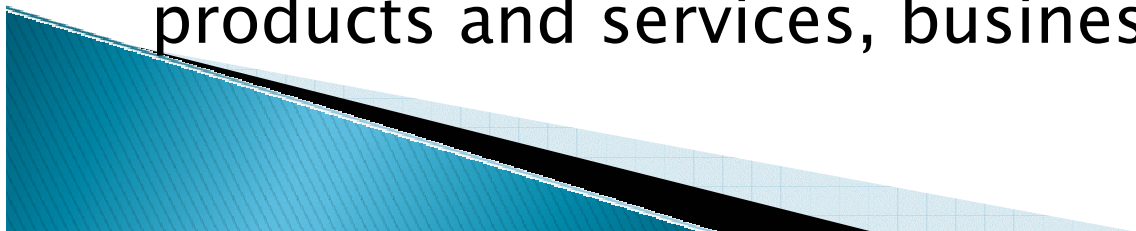


➤ Introduction

- In this activity every student will be assigned a company to which he/she has to analyze on different parameters as discussed further

➤ Objective of Activity

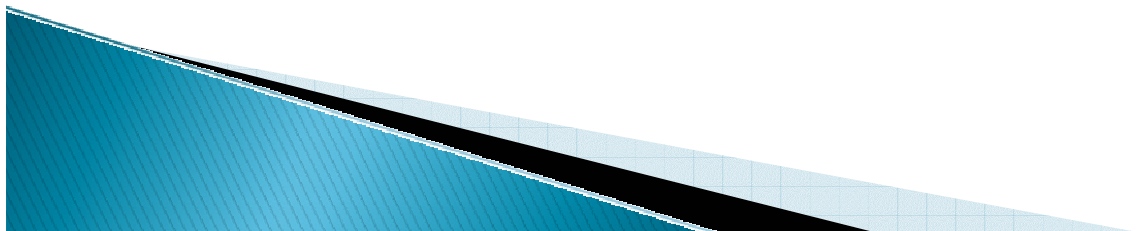
- The objective of this activity is to analyze internal & external environment of the company.
- To gain the in depth knowledge of the company & Sector
- To develop an entire overview about the company like strategies, competitors, challenges, list of products and services, business structure.



# Contents

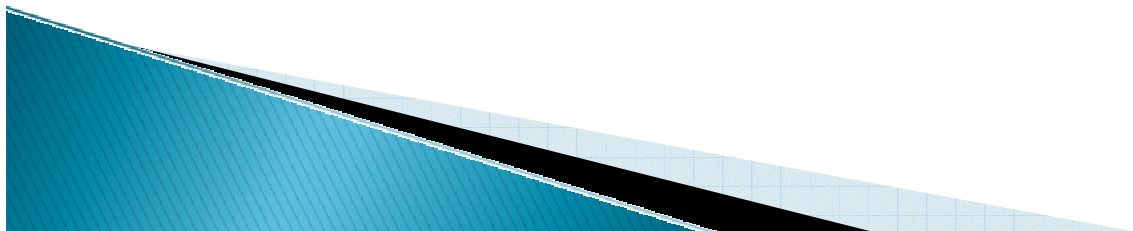
## PHASE I

- Company Profile
- Mergers/alliances/takeovers
- Top Management
- Location of manufacturing unit and Touch points
- Current goals and objectives
- Financial Aspects
- Stakeholders



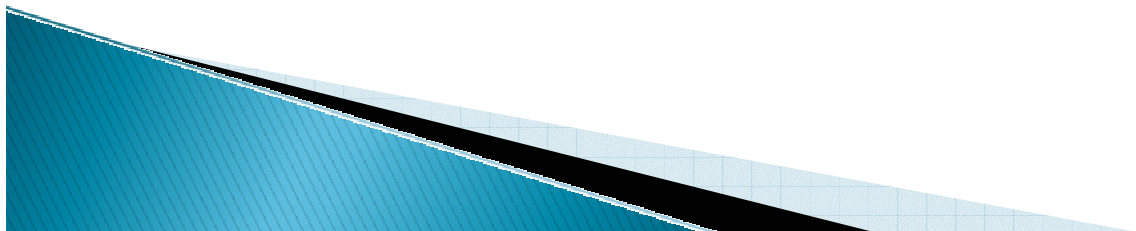
## PHASE II

- SWOT Analysis
- Strategic Analysis
- Recommendations / Suggestions
- Opinion about the company
- Conclusion
- References & Sources
- Working Material

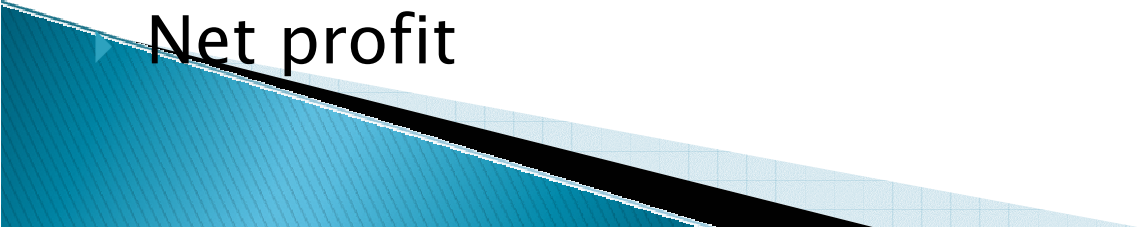


# Company Profile:

- ▶ Define The Business
- ▶ Promoters : Who started/run the business
- ▶ Current Top Management
- ▶ Vision/Mission of the Company
- ▶ Current Goals & Objectives
- ▶ All Product lines, Manufacturing Units Capacity, Various types & Medium of Point of Sales

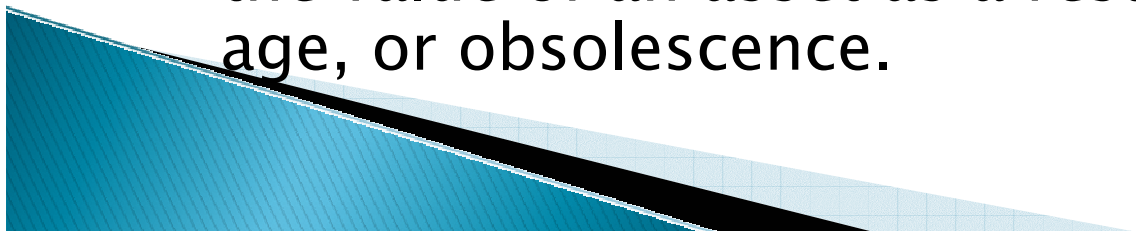


# Financial Aspect of Company:

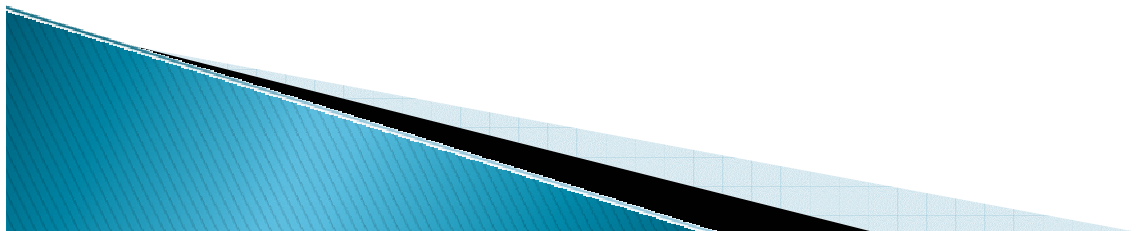
- Analyze all the financial terms like:
  - Operating margin (%)
  - Gross profit margin (%)
  - Net profit margin (%)
  - EPS (Rs)
  - Return on net worth (%)
  - Dividend payout ratio (net profit)
  - PBDIT
  - Depreciation
  - PBIT
  - PBT
  - PAT
  - Net profit
- 

- **Operating margin (%)**: It compares the quality of a company's activity to its competitors. A business that has a higher operating margin than others in the industry is generally doing better as long as the gains didn't come by piling on debt or taking highly risky speculations with shareholders' money.
- ▶
- **Gross profit margin (%)**: The gross profit margin is a measurement of a company's manufacturing and distribution efficiency during the production process. The gross profit tells an investor the percentage of revenue / sales left after subtracting the cost of goods sold.
- ▶
- **Net profit margin (%)**: The profit margin tells you how much profit a company makes for every \$1 it generates in revenue or sales.
- ▶
- **EPS (Rs)**: Earnings per share is generally considered to be the single most important variable in determining a share's price. It is also a major component used to calculate the price-to-earnings valuation ratio.


- **Return on net worth (%)**: Indicator of profitability. It is the ratio of net profit to share holder's investment. It is the relationship between net profit (after interest and tax) and share holder's/proprietor's fund.
- **Dividend payout ratio (net profit)**: Measures what a company's pays out to investors in the form of dividends.
- **PBDIT**: It is profit before any expenses like depreciation, interest & tax.
- **Depreciation**: A noncash expense that reduces the value of an asset as a result of wear and tear, age, or obsolescence.



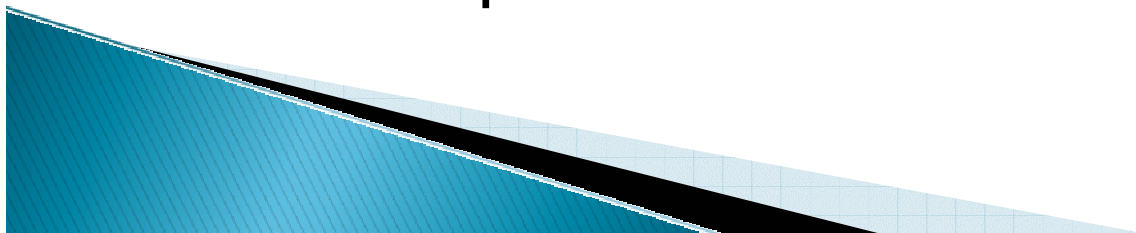
- **PBIT:** Profit before interest and taxes ( PBIT ) or operating income is a investment formula to measure of a corporation's profitability by subtracting operating expenses from revenue excluding tax and interest.
- **PBT:** A profitability measure that looks at a company's profits before the company has to pay corporate income tax.
- **PAT:** It the net profit earned by the company after deducting all expenses like interest, depreciation and tax. It can be fully retained by a company to be used in the business.
- **Net profit:** Net profit is the money left over after paying all the expenses of an endeavor . It also include other income like dividend, interest on loan.



## SWOT Analysis:

- ▶ The aim of any SWOT analysis is to identify the key internal and external factors that are important to achieving the objective. These come from within the company's unique value chain. SWOT analysis groups key pieces of information into two main categories:
  - ▶ Internal factors – The *strengths* and *weaknesses* internal to the organization.
  - ▶ External factors – The *opportunities* and *threats* presented by the external environment to the organization.
- 

- ▶ The internal factors may be viewed as strengths or weaknesses depending upon their impact on the organization's objectives. What may represent strengths with respect to one objective may be weaknesses for another objective. The factors may include all of the 4P's; as well as personnel, finance, manufacturing capabilities, and so on.
- ▶ The external factors may include macroeconomic matters, technological change, legislation, and socio-cultural changes, as well as changes in the marketplace or competitive position. The results are often presented in the form of a matrix.



# Strength:

## 1. Strong Financial Condition

- ▶ Owner's Capital
- ▶ No of shareholders
- ▶ Foreign Investment
- ▶ Institutional Investment
- ▶ Profitability of last 4 Quarters

## 2. Market share and standing in market

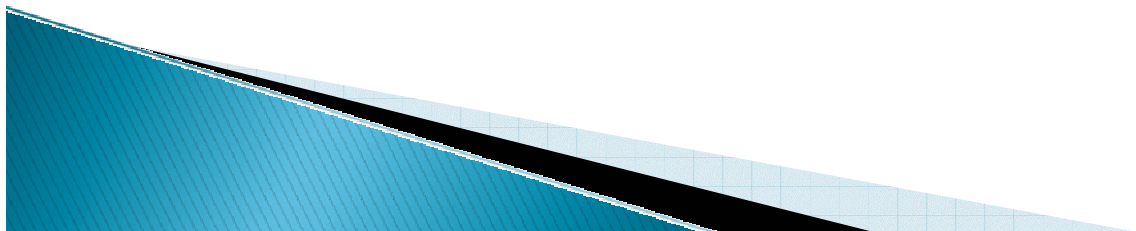
## 3. Patents and Trademarks.

## 4. Successful New Products launched in last 5 years.

## 5. Successful Advertisement Campaigns

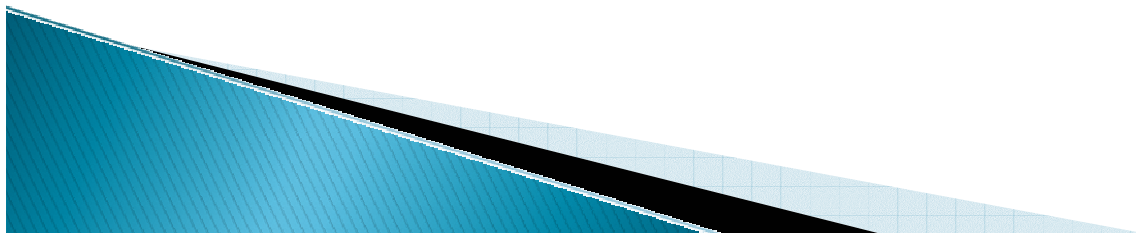


6. Strong Customer Service– any Award won for customer service.
7. Joint ventures, Strategic Alliances, Takeovers and Mergers.
8. Managerial Expertise – Experience of CEO, CMO & CFO.
9. Distribution System: No. of Dealers, C&F agents and distributors in the Country
10. Comparatively Comparison on Prices for various Product line with Competitor.

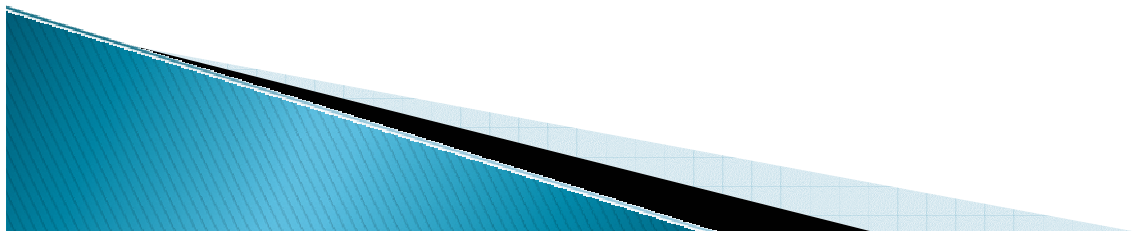


# Weaknesses


1. Human Resource
2. Lack of Working Capital
3. No Technical Expertise of Company/Division
4. No Control over Raw Material
5. No clear Strategic Direction
6. Competitive Capabilities
7. Weak balance sheet; excess debt
8. Poor Product Design
9. Low level of stocks in times of peak sales



11. Falling behind in R&D
12. Higher overall costs than rivals
13. Missing some key skills/competencies
14. Internal operating problems
15. Weak marketing skills



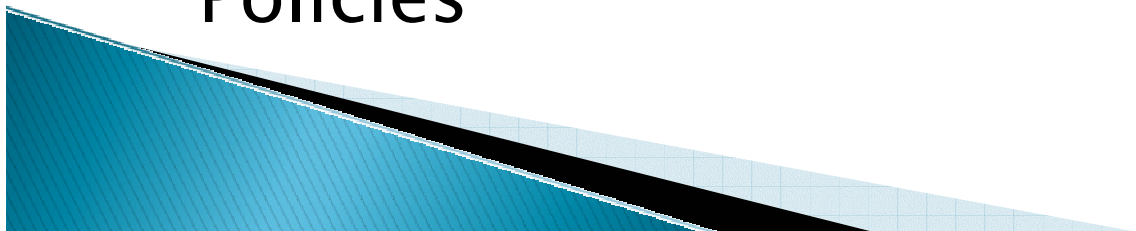
## Opportunities:

1. Few and Weak competitors
  2. Favourable Government Policy
  3. Expanding to New Geographic Areas
  4. Expanding Product Line
  5. Transferring Skills to New Products
  6. Increase market share from Rivals
  7. Acquisition of rivals
  8. Alliances or JVs to Expand coverage
  9. Openings to Exploit new technologies
  10. Openings to Extend brand name/image
- 

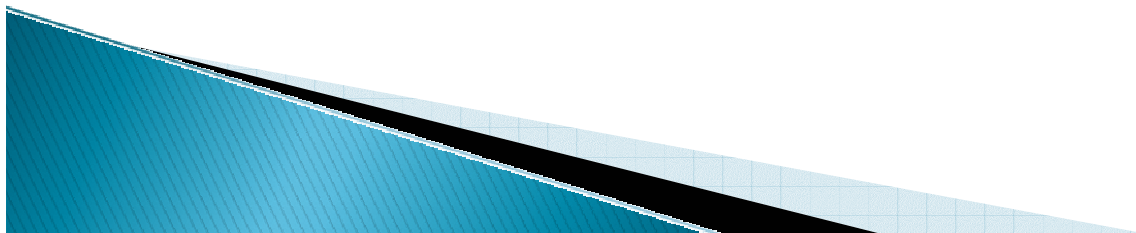
11. Adequate training opportunities
12. Serving additional customer groups
13. Vertical integration

### Threats:

- ▶ Restive Labour Force
- ▶ Rising Raw Materials Costs
- ▶ Entry of Potential New Competitors
- ▶ Loss of Sales to Substitutes
- ▶ Slow Market Growth
- ▶ Adverse shifts in Exchange Rates & Trade Policies

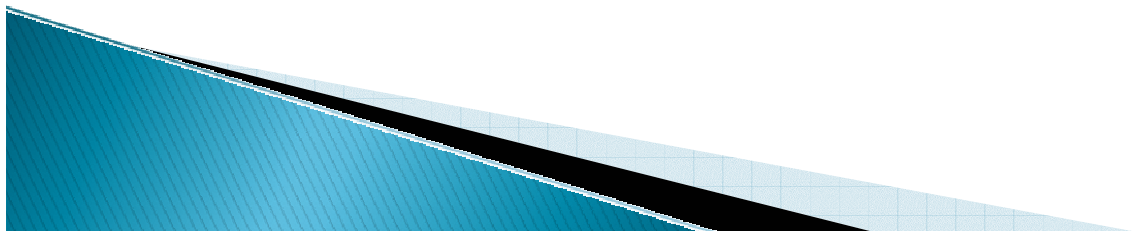


- ▶ Government Bureaucracy
- ▶ Natural Disasters
- ▶ Costly New Regulations
- ▶ Vulnerability to Business Cycle
- ▶ Growing Leverage of customers or suppliers
- ▶ Reduced Buyer Needs for product
- ▶ Demographic Changes




# Strategic Analysis

- ▶ BCG Matrix
- ▶ GE Nine-Cell Matrix
- ▶ Experience Curve Analysis
- ▶ Life Cycle analysis
- ▶ Porter's Five Forces Model

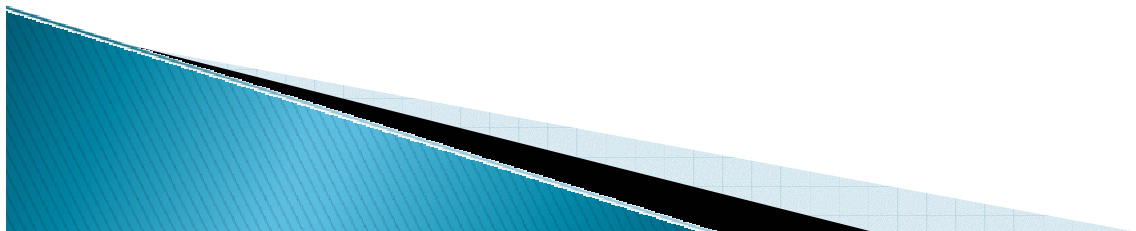


# Recommendations & Suggestions:

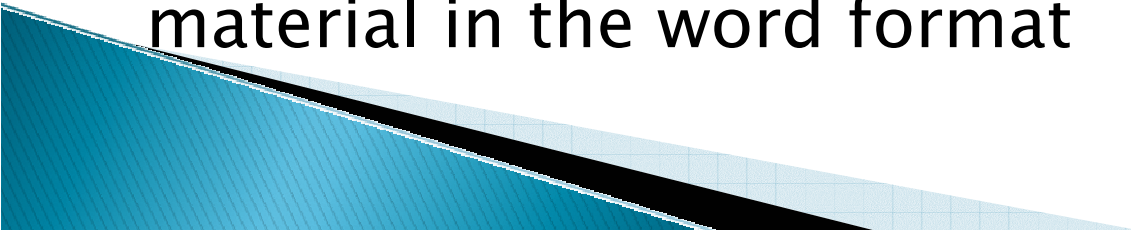
	External Opportunities (O) 1. 2. 3. 4.	External Threats (T) 1. 2. 3. 4.
Internal Strengths(S) 1. 2. 3. 4.	SO <i>"Maxi-Maxi" Strategy</i>  Strategies that use strengths to maximize opportunities.	ST <i>"Maxi-Mini" Strategy</i>  Strategies that use strengths to minimize threats.
Internal Weaknesses (W) 1. 2. 3. 4.	WO <i>"Mini-Maxi" Strategy</i> Strategies that minimize weaknesses by taking advantage of opportunities.	WT <i>"Mini-Mini" Strategy</i>  Strategies that minimize weaknesses and avoid threats.

- ▶ This helps you identify strategic alternatives that address the following additional questions:
  - ▶ Strengths and Opportunities (SO) – How can you use your strengths to take advantage of the opportunities?
  - ▶ Strengths and Threats (ST) – How can you take advantage of your strengths to avoid real and potential threats?
  - ▶ Weaknesses and Opportunities (WO) – How can you use your opportunities to overcome the weaknesses you are experiencing?
  - ▶ Weaknesses and Threats (WT) – How can you minimize your weaknesses and avoid threats?
- 

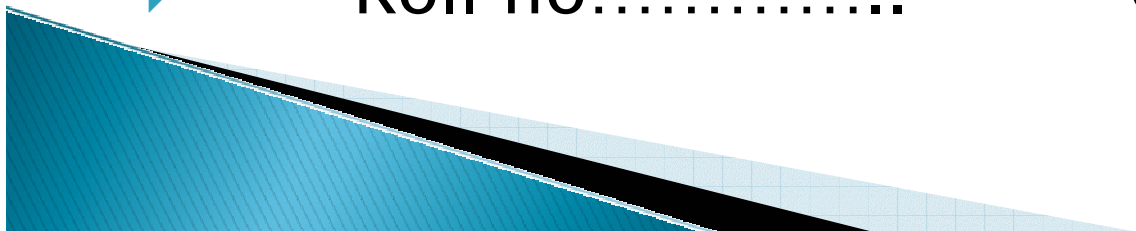
- Opinion About the Company
- Conclusion
  - ▶ Conclusion about the Strengths & weaknesses associated with the company.
  - ▶ Conclusion about the strategies to be taken.
- References & Sources
  - Company's Website
  - Journals
  - News Papers



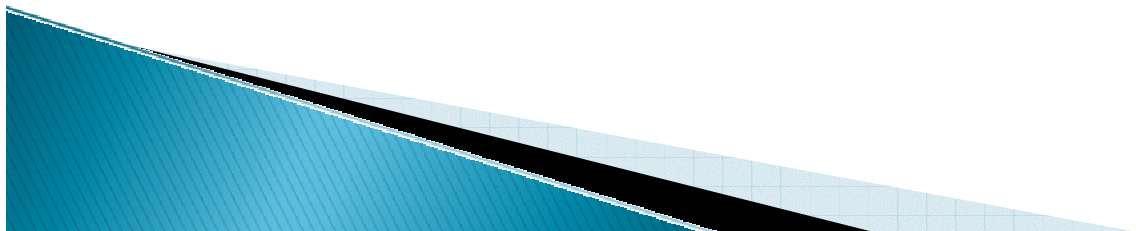
# DO's

- ▶ You have to complete Presentation within 30 Minutes.
  - ▶ Data should be relevant and updated.
  - ▶ Analyze and compare the competitor's strategies.
  - ▶ Need to explain each and every point of SWOT analysis.
  - ▶ Need to give working material.
  - ▶ Phase I will be presented in the form of word file, explanation of every point has to be given
  - ▶ Phase II will be submitted in the PPT Format along with which every student has to carry the working material in the word format
- 

- ▶ You have to suggest some strategies based on the SWOT analysis.
- ▶ Opinion about the company should not be more than 8 to 10 line.
- ▶ No second chance is given if it is copied.
- ▶ You can add more relevant points other than given SWOT parameters.
- ▶ You have to make one softcopy and one hardcopy.
- ▶ The header must contain:
  - ▶ Pioneer Institute of Professional Studies
  - ▶ Name:
  - ▶ Roll no..... Class:.....

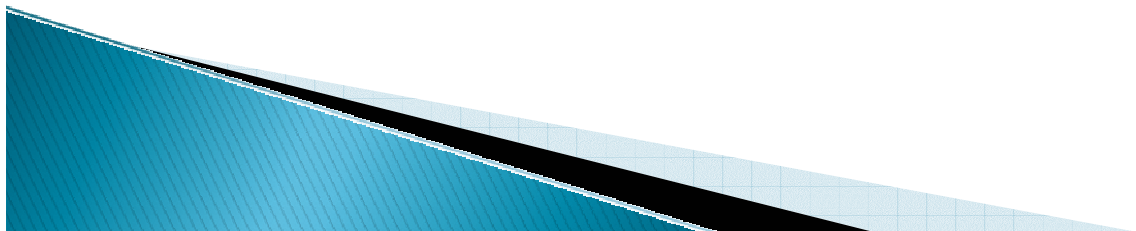


- ▶ The title of CD must contain:
  - ▶ Pioneer Institute of Professional Studies
  - ▶ Name of the student
  - ▶ Roll no.
  - ▶ Class
  - ▶ Name of Activity
- ▶ Your report should be MS Office 2003 format.
- ▶ Font: Times New Roman
- ▶ Font Size: 14 for Headings & 12 for Body of Paragraph
- ▶ Margin: 1” (Top, Bottom, Left, Right)



# DON'T

- ▶ Don't try to cover too much or garbage material. Remember you only have 30 minutes.
- ▶ Don't try to copy the content of your friend's study.
- ▶ SWOT Analysis must be of a Company, not of a Product.



**Thank You !!!!**

