Vanilla
OnlineAccountancy

Business Analysis Tool

www.vanillaonlineaccountancy.co.uk

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Thank you for downloading our free business analysis tool.

My name is Chris Anscombe a director of Vanilla Online Accountancy. We are a firm of online accountants, tax consultants and business coaches.

Operating online, means that we are able to give you a great service at a lower cost than a traditional, high street office based accountant.

We have over 15 years experience of dealing with tax and business matters and I have spent the past 10 years coaching a variety of individuals and business owners, helping them improve their sales, making their businesses become more efficient and enabling them to enjoy spending more time on things that matter to them.

We work exclusively with small businesses and self employed individuals, not only completing their accounts and tax, but really getting to understand what they are trying to achieve and making sure that the numbers we produce are meaningful and can be used to provide some practical suggestions as to how they can achieve their goals, grow their business and pay less tax.

Business analysis tool

This is a simple tool that you can use to appraise your business and help define the direction you want to take.

Once completed, take time to read through the analysis and have a look at our special business coaching offer that can be found in the last page.

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SWOT Analysis

A SWOT analysis is a simple but effective tool that can be used for reviewing business strategy and direction. It can help with decision making and enable you to take a proactive, holistic approach.

Step by step guide

1. Decide what to SWOT.

First of all, you need to decide what to SWOT. Is it your business (or proposed business) as a whole or an aspect of it, for instance a new product you are thinking of launching?

2. Complete the SWOT grid

(which is attached, with some more detailed notes to help you complete it).

You will see that the grid is separated into 4 parts, each headed by one of the four words that make the SWOT acronym: strengths, weaknesses, opportunities and threats. In each section, identify as many factors as you can. This can be tough, it can be especially difficult to identify what you do really well or what you aren't so good at, but the more open and honest you are here, the better the results will be. You may find that it works best to do this over a period of time, coming back to it with fresh eyes on several occasions, or it can be helpful to ask others to contribute.

3. Analyse your grid

Next you have to analyse your grid. This is really important, if you don't do it, filling in the grid won't have any purpose. Brainstorming can be a useful tool here, with several people making suggestions, all of which are recorded and none of which are considered silly at this stage. Later on when you've got loads of thoughts, you can decide which ones to go with and which to discard.

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4. Develop your action plan

Finally, you can develop action plans from your analysis. Remember that your actions need to be well thought out, for instance being SMART (specific, measurable, achievable, realistic and timed). One way of doing this is to sort your ideas into 6 areas for action:

- Product
- Process
- Customer
- Distribution
- Finance
- Administration

One last thing to remember is that circumstances change, so a SWOT isn't something to just do once and then forget about. Repeat the process in the future and when you do, it can become a tool to help you see the results of the actions you implemented.

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SWOT Analysis of:

Strengths	**Weaknesses**
Opportunities	**Threats**

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Notes for completion of SWOT grid

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- **Strengths.** These are *positive internal factors*, things that you or your actions can influence. So strengths might include your skills and experience or your well brand.
- **Weaknesses.** These are *negative internal factors* and could include your lack of financial capital or poor time management skills.
- **Opportunities.** Although these are *positive factors* again, unlike strengths they are *external*; they might be market factors, factors to do with your competitors or other things that you don't have direct control over. e.g an upturning economy.
- **Threats.** Like opportunities, these are *external* and so outside of your control, but these are the *negative factors*. A change in regulations that increases your administrative burden or new technology rendering your stock obsolete could be threats.

Factors to consider to help you identify strengths and weaknesses:

- Capabilities
- Competitive advantages, innovations and unique selling points
- Assets, including people (morale, commitment, capabilities, management and leadership)
- Experience, knowledge, qualifications, data
- Money, capital available, cash flow
- Marketing e.g. reach, distribution, awareness, reputation
- Location, geography (including online)
- Price, value and quality
- Processes, systems, IT, communications, use of technology
- Culture, attitudes

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Factors to consider to help identify opportunities and threats:

- Political, economic, social and technological considerations (these can be explored in detail in a separate PEST analysis, which is a tool for understanding market changes)
- Market developments/changes, industry or lifestyle trends, season, weather and fashion influences
- Competitors: vulnerabilities, strengths
- Technology development and innovation
- Legislation
- Global influences
- New markets, niche target markets
- Geography, export, import
- New unique selling points
- Tactics - surprise, major contracts
- Business and product development, information and research
- Partnerships, agencies, distribution
- Volumes, production, economies (e.g. of scale)

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Analysing your SWOT

This is where the real benefit of the SWOT analysis tool shows. Take some time to really explore what you have

- **Start with the strengths box** – what is it showing you that you do really well? How can you build on those strengths *and make them even better*? How can you really take advantage of them in a way that will improve your performance?
- **Moving on to the weaknesses**, how can you turn them around *so that they become strengths?* Do you need to invest in training, perhaps, or rebranding? Lack of time is often a weakness, what can you do about that? Take on an assistant or admin person, maybe, or look at what tasks in your diary are wasting your time?
- **For opportunities**, the idea is to work out *how to make the most of them.* Try to anticipate opportunities so that you can be ready for them – if December is your busiest month because of the Christmas sales, make sure you have stocked up and got your admin up to date in November so that you can dedicate every moment to selling in during festive period, to avoid missing sales because you are too busy. If you are reactive instead of proactive, you'll be missing out.
- **Then come the threats**. Again it's important to be proactive and anticipate them. Think about when the economic bubble burst a few years ago and we went from economic prosperity to recession; plenty of businesses are still growing, but they have been able to do so because they saw what was coming and planned for it when the going was good. The ones who were blind to the possibility of a down town were often the ones who suddenly found themselves in trouble. So work out *how to turn threats into opportunities*. It may mean changing product lines, reviewing pricing strategies or other options that you might feel loathe to explore, but change may be necessary to survive, especially if the market you are in is changing. Think about the manufacturers of old cassettes and video tapes – those who were resistant to change went under when the world moved on to DVDs and CDs, but the ones who accepted that change was necessary went on to drive it and profited from that.

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Business Coaching Offer

If you would like help with completion or analysis of your SWOT analysis, we are offering anyone who downloads this business planning tool a telephone or Skype based, business coaching session for a, low, introductory rate of just

£50+VAT

If you would like to book your session, just call us on 01273 921064 or email chris@vanillaonlineaccountancy.co.uk

Vanilla Online Accountancy are accountants, tax consultants and business coaches and offer a range of services designed to help you grow your business, save you time and cut your tax bill. If you would like to find out more about how we can work together simply get in touch to book a ***FREE****, no-obligation consultation*

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