

Business communication: writing a SWOT analysis



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Introduction

Welcome to this free course, *Business communication: writing a SWOT analysis*, which is designed to develop your writing skills for business. You will be taken step by step through the process of writing a SWOT analysis, with clear advice on selecting key information from a case study, making concise notes, choosing an appropriate structure and using language effectively. You will learn how to write a formal report including recommendations, based on a case study analysis of the British company, Brompton Bicycle. You can progress at your own pace and it will take around 8 hours of your time to complete the course.

This OpenLearn course is an adapted extract from the Open University course [LB170 Communication skills for business and management](#).

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Learning Outcomes

After studying this course, you should be able to:

- understand the SWOT framework
- use the SWOT framework to analyse a business case study or a workplace situation
- make concise, formal notes from a case study text
- use appropriate language and structuring to organise and write a SWOT analysis report for a business context.

1 What is a SWOT analysis?

To start, watch the following animation to find out more about what the course involves.

Video content is not available in this format.



2 What is a case study?



Figure 1 What is a case study?

Case studies are widely used in the study of business and management and you will learn more about them in the following activity.

Activity 1

Read the following sentences which describe what a case study is. Which of them are true and which are false? Write True or False in the box next to each sentence.

True or False	
Case studies are used in business and management to help you learn and think about a particular aspect of business and management.	<input type="text" value="Provide your answer..."/>
A case study can be presented in a range of different formats including written text, video or audio. Case studies can include interviews, TV programmes, academic papers and newspaper articles.	<input type="text" value="Provide your answer..."/>

A case study is a representation of a real-life or lifelike situation facing a business or business sector.

Provide your answer...

A case study may describe a simple situation or a highly complex one.

Provide your answer...

A case study can be based on fact or it can be fictional, i.e. completely invented.

Provide your answer...

Answer

All the comments are true. Case studies are designed to teach you something about business and they include a wide range of formats. They can be based on real business situations or invented.

Case studies are used in business and management to help you learn and think about a particular aspect of business and management. **True**

A case study can be presented in a range of different formats including written text, video or audio. Case studies can include interviews, TV programmes, academic papers and newspaper articles. **True**

A case study is a representation of a real-life or lifelike situation facing a business or business sector. **True**

A case study may describe a simple situation or a highly complex one. **True**

A case study can be based on fact or it can be fictional, i.e. completely invented). **True**

3 The SWOT framework



Figure 2 SWOT analysis.

Using the SWOT framework to analyse a business situation involves studying the information in a case study closely and identifying the strengths, weaknesses, opportunities and threats mentioned. These points are then categorised in note form into the appropriate sections of a SWOT table. A SWOT table looks like this (usually without the headings 'Internal factors' and 'External factors').

Table 1 A SWOT table

Internal factors	
Strengths	Weaknesses
External factors	
Opportunities	Threats

Note that the categories 'Strengths' and 'Weaknesses' refer to internal factors affecting a business, while 'Opportunities' and 'Threats' refer to external factors affecting a business. Internal factors might be the implementation of a new brand bringing changes, an increase in staffing (a strength) or lack of good training (a weakness). These can be controlled by the business itself.

External factors are things outside a business which affect it, such as rising oil prices, a new product from a competitor in the market or new tax laws. These are out of the control of the business and the business needs to respond to them.

Once the SWOT table has been completed, the information in it can then be used to write a case study analysis and make recommendations.

Using a framework to analyse a case study enables you to:

- select what is relevant from information which might otherwise appear very complex
- organise your thinking
- make proposals or recommendations based on that thinking.

Key concepts

Key concepts are words or phrases that have a particular meaning in a business context. For example, **external environment** as a key concept has a special meaning in business and management. It refers to factors that affect a business such as economic and political factors.

Key concepts are important to the study of business, because using them allows you to give a clearer, more precise explanation of what is going on in a case study, and make recommendations using vocabulary that is more abstract, therefore more academic. It is important to learn the key concepts that you come across in your study of business and management, by noting them down with a definition of their specialised meaning.

4 Looking at a SWOT analysis report

In this section you will look closely at a SWOT analysis report, learning how to read the structure and to interpret the language used.

4.1 Read the report

You are now going to read a SWOT analysis report, in order to see the end result of using the SWOT framework to analyse a case study.



Figure 3 A SWOT analysis of the shop Fat Face.

The SWOT analysis report you will examine is of the British high street clothes store, Fat Face. This report was written by a first year business and management student, Natalie Andrew, in 2013. Natalie gathered the information for her analysis primarily from her work surroundings, but also used the internet to gather more information about her own and other companies in the same line of business. She wrote the report in response to this assignment question:

Assignment question

Write a report analysing your organisation in its business environment, and the issues that are important to it at the present time. Use appropriate business concepts or frameworks as taught in the course when analysing your organisation.

Activity 2

Read through Natalie's SWOT analysis of Fat Face, and then answer the questions which follow.

Natalie's SWOT analysis

SWOT Analysis of Fat Face Limited

STRENGTHS

- Large chain of more than 200 stores in UK and Ireland
- Strong customer base – mostly loyal customers
- High quality and brand strength
- Low staff turnover means faster processes and increased product knowledge
- Recently updated IT system across all stores – use of technology to enhance efficiency
- Transactional website increases sales
- Childrenswear products – advantage over competition

WEAKNESSES

- Middle market prices push younger customers away
- Lack of available payroll means staff shortages within stores
- Little sales training for staff

OPPORTUNITIES

- Growth in demand means opportunity for new store openings
- Increased business/brand awareness among consumers
- Increased marketing opportunities
- Increased interest in online presence

THREATS

- Competition from more sought after brands
- Middle market prices can be undercut by high street stores

DISCUSSION

Fat Face Limited was founded in 1988 by Tim Slade and Jules Leaver. Initially designing t-shirts and selling them from a Volkswagen campervan, the first store was opened in 1992. The company has grown to over 200 stores, selling womenswear, menswear, childrenswear, accessories and footwear. An evaluation of the current business environment and the internal capabilities of the organisation will be conducted through the use of a SWOT analysis.

STRENGTHS

The company has more than 200 stores within the United Kingdom and Ireland alone, as well as stores in Singapore and Dubai. This makes for wider spread brand awareness and therefore increased profits as compared to smaller businesses. The high quality of products has led to a very strong customer base, with a high percentage of consumers being loyal to the Fat Face brand. As a result of recently updated software systems, particularly on the tills, customers are able to purchase items which may not be in stock in that particular store, but are available somewhere else. Making use of more modern technology also increases the general efficiency of the store. The benefit of having a low staff turnover means that operations such as

transfers between stores, or warehouse orders, can be processed quickly and efficiently as staff knowledge of both IT systems and products is extensive. In addition, the company has a fully functional website which allows customers to view products online, browse store locations, make purchases and choose delivery options. These strengths work together to produce a cohesive business, where the company endeavours to provide great products and customer service in order to improve sales. Lastly, a major advantage over the competition is that Fat Face stock childrenswear (Parkinson, 2013). Some of their main competitors, such as White Stuff (White Stuff, 2000) and Superdry (Superdry, n.d), fail to meet the demands of parents who are looking for a similar clothing style for their children. Since Fat Face is a lifestyle brand, the concept of family is held to be at the core of the business. As a result, providing childrenswear that mimics the Fat Face image fills a niche in the market.

WEAKNESSES

Despite the strengths of the business, there are also a number of weaknesses. Firstly, the middle market prices deter younger customers whose income is less disposable. Although the target market is 25-55 years old, customers are generally within the 30-35 and upwards age range. Younger customers have made it clear that those who are willing to pay middle market prices would prefer to do so for younger and more sought after brands such as Superdry or Hollister. There have also been problems in-store concerning staff shortages due to a lack of available payroll, meaning that despite staff being available to work, head office has not given enough hours in which to do so. This has been identified by Area Managers, during visits to store, who realised that stores need more than three staff members during the day. In some instances, extra payroll has been granted. One final weakness is the lack of sales training for staff. The company has introduced a 'vision and values' concept (Fat Face, 2013), which explains to both staff and customers how the products are designed to be 'loved by all our customers' (Fat Face, 2013) and also how the brand desires to be incorporated into customers' lifestyle. However, many of the sales assistants are younger than the target market (16-25 years old) and so can find it hard approaching customers and encouraging sales. Attempts were made to address the issue in recent staff meetings, asking staff to highlight areas in which they required help in order to develop, although there has been little follow up.

OPPORTUNITIES

Naturally, there are opportunities for improvement. In response to the growth in demand, new stores can be opened across the country, leading to increased profit, brand awareness and marketing opportunities. This creates chances for the customer base to grow, and loyal customers to develop. The business can use competitions and incentives to take advantage of their increased marketing opportunities – the most recent competition was the chance to win a Volkswagen campervan. As well as encouraging customers to make purchases in any case, online entry increases this chance, since customers are likely to browse the website after entering the competition. Similarly, promotions can be offered in order to entice customers to make large purchases.

THREATS

It is apparent that the main threat is from the competition. Brands such as White Stuff and Joules are Fat Face's closest rivals since customers regularly shop in all three stores. Middle market prices are not always appreciated by all customers, particularly younger customers. Although Fat Face does have student age customers, these individuals do not often have a lot of disposable income and therefore will look for the cheapest option. For example, a basic women's vest top in Fat Face would cost £18, though companies such as New Look produce a similar item for less than £10 (New Look, 2013). Although the main customer base consists of older, more middle-class individuals willing to pay middle market prices, the fact that other stores can undercut so heavily on price is a disadvantage for Fat Face.

CONCLUSION

Fat Face has many strengths and plays to them by taking full advantage of every opportunity and by introducing new ways to increase profit and advance the brand. However, it is clear that the business has to address a number of weaknesses as well as finding ways to counter the threats posed by competition. To respond to the weaknesses identified, investment in improved staffing levels and enhanced staff training is a priority. In order to address the threats from competitors, there needs to be a high level review of branding and pricing. The aim of this recommendation would be to differentiate the store more clearly from other popular brands and those who undercut on pricing. By attending to these issues, the company will try to consolidate its already strong position in the market.

References

Fat Face (2013) *All About Fat Face* [Online]. Available at <http://www.fatfacecorporate.com/about-us/vision-and-values.aspx> (Accessed 14 August 2013).

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(Adapted from text written by Open University student Natalie Andrew)

Now answer these questions on the material you've just read. Add your answers to the box below:

1. How is the report structured?
2. What information is included in the introduction?
3. Where are the recommendations?
4. How many recommendations are made?

- 1.
- 2.
- 3.
- 4.

Answer

1. The text is organised into six sections with headings. The sections include the four areas of SWOT, an introduction and a conclusion. These are preceded by a SWOT table with the strengths, weaknesses, opportunities and threats written in note form.
2. The introduction includes a brief background of the company followed by a 'signposting phrase' telling the reader what is going to come next. The signposting phrase is '*An evaluation of the current business environment and the internal capabilities of the organisation will be conducted through the use of a SWOT analysis*'.
3. The recommendations are in the conclusion.
4. Two recommendations are made in response to the weaknesses: to improve staffing levels and improve training. One recommendation is made in response to threats: to undertake a high level review of branding and pricing.

Discussion

This was an example of a full SWOT analysis report discussing issues at Fat Face. It was written for a first year university course and it was awarded a high grade. Natalie used this analysis to provide an overview of the company in 2013 and identify any issues. Having identified some issues through her SWOT analysis, she made two recommendations. If the report had been written for the workplace context these could be used to address the problems identified.

4.2 Focus on the language of SWOT analysis

Next, you will look more closely at some of the language used in Natalie's analysis.

Activity 3

Some of the phrases used in the Fat Face case study in the previous section that talk about strengths, weaknesses, opportunities and threats are listed below. Without looking back at the text, decide which category each phrase belongs to and drag them to the appropriate column. There are four phrases to go in each category.

Interactive content is not available in this format.

Remember: there should be four under each heading.

Answer

Interactive content is not available in this format.

Activity 4

Read Natalie's SWOT analysis again and note down any further words and phrases that may be useful for when you write your own SWOT analysis later in this course. Your notes might include new vocabulary (make sure you check definitions in a business dictionary such as [BusinessDictionary.com](https://www.businessdictionary.com)) or useful phrases for showing analysis, e.g. for expressing a viewpoint, making recommendations or describing cause and effect (i.e. why something is the way it is).

Discussion

You will have made your own choices for this activity. Here is a list of language which is useful for expressing analysis. Remember that the process of analysis includes:

- breaking down a situation in order to understand it better, often supported by a framework, e.g. SWOT
- weighing up the relative importance of the facts
- identifying cause and effect
- selecting the most relevant information
- shaping and organising relevant information
- evaluating and recommending.

Useful language for writing a SWOT analysis

Useful language used to express a viewpoint based on evidence:

- It is apparent that ...
- It is clear that ...
- These strengths work together to produce ...
- Lastly, a major advantage over the competition is that ...

Useful language for making recommendations:

- the business has to address ...
- ... is a priority
- there needs to be ...
- the aim of this recommendation would be ...
- by ... , the company will ...

Useful language of cause and effect from paragraph on strengths:

- The high quality of products *has led to* a very strong customer base

- As a *result of* recently updated software systems, ... , customers are able to purchase items which may not be in stock in that particular store
- The benefit of having a low staff turnover *means that* operations ... can be processed quickly and efficiently *as* staff knowledge ... is extensive.

A note on referencing

You will have seen that Natalie has written a list of references at the end of her text, which link to in-text references. This is because her text is an academic assignment for a university course. When writing at university you are required to list any sources you use for your assignment (usually texts that you read) at the end of your text. This shows the tutor where your information comes from. You are also required to include in-text references, which show precisely which pieces of information in your text come from where. Here is one example from Natalie's report:

In-text reference:

The company has introduced a 'vision and values' concept (Fat Face, 2013), ...

End-of-text reference:

Fat Face (2013) *All About Fat Face* [Online]. Available at <http://www.fatfacecorporate.com/about-us/vision-and-values.aspx> (Accessed 14 August 2013).

You will see that the in-text reference includes the name of the organisation and the date, while the end-of-text reference includes the full information for finding the source. Usually an in-text reference will include the author's name; however, when there is no specified author, the name of the organisation can be used.

5 Understanding an assignment title

Brompton Bicycle is a British company which manufactures folding bicycles aimed at commuters and others who want to be able to take their bicycle on public transport. You are going to examine an assignment question about Brompton Bicycle, and then access two sources of information about this company from the media, to practise using the SWOT framework to analyse the business.



Figure 4 The Brompton Bicycle.

Activity 5

Read this question, which is a typical assignment question from a university Business and Management course. Underline the key concepts and highlight the **instruction words**.

Use the SWOT framework to analyse the internal and external environment of Brompton Bicycle as described in the case study. Provide recommendations to Brompton Bicycle about future actions they should take for business success.
Word count: 500–600 words

Answer

Use the SWOT framework to analyse the internal and external environment of Brompton Bicycle as described in the case study. Provide recommendations to Brompton Bicycle **about future actions they should take for business success**.
Word count: 500–600 words

Discussion

The instruction words tell you what to do. They inform you which framework to use, they ask you to 'analyse' and to 'provide recommendations'. Identifying the instruction words in an assignment question is a crucial first step towards getting the answer right.

The key concepts include the SWOT framework, the internal and external environment, and case study, as described above. These are specific terms with specific meanings relating to a business context.

6 Identifying strengths, weaknesses, opportunities and threats



Figure 5 A Brompton Bicycle in action.

In this section you will learn how to identify the information relevant to SWOT in a case study.

6.1 Gathering information from a source

To begin this section, you will practise extracting the key pieces of information from a video.

Activity 6

Watch the following video (from the BBC programme *Made in Britain*, recorded in 2012), which will introduce you to the company Brompton Bicycle. Watch first, just to get a general idea of the company, where they are located and what they produce. Then, watch a second time and make quick notes on any points you hear that could be categorised as strengths. Watch the video a third time and note down any weaknesses, opportunities or threats which are mentioned. Once you have completed your notes, condense them to concise points, decide which category each point belongs to and type them in the following table.

(You will learn more about making concise notes later in this course.)

Video content is not available in this format.



SWOT analysis of Brompton Bicycle 2012

Strengths	Weaknesses	
<i>Provide your answer...</i>	<i>Provide your answer...</i>	
Opportunities	Threats	
<i>Provide your answer...</i>	<i>Provide your answer...</i>	

Answer

The following are all possible answers:

SWOT analysis of Brompton Bicycle 2012

Strengths	Weaknesses
<ul style="list-style-type: none"> • Britain's biggest bike manufacturer • Quality workmanship, hand built • Specialisation • Exports growing – two thirds of bikes exported to 38 countries • Profitable niche 	<ul style="list-style-type: none"> • Very niche, only one product line
Opportunities	Threats
<ul style="list-style-type: none"> • Growth potential • China can afford to buy • Huge potential market in China 	<ul style="list-style-type: none"> • China may be able to compete some day

Discussion

It is common when making a SWOT analysis to use bullet points and brief phrases (noun phrases) so that the table concisely summarises the main points about the case.

Notice how one aspect of the company can be seen as both a strength and a weakness, depending on the way you look at it. Being a 'niche' company can be a strength in that this can go with quality and rarity, but it can also be a weakness as there is risk if the whole company is based on only one product.

Sometimes what one person considers a strength might be considered a weakness by someone else: for example, the fact that all the bikes are made in Britain. This can be seen as a strength if it appeals to customers. However, it can be a weakness if you consider that manufacturing in Britain is expensive. This is why SWOT analysis is not necessarily straightforward. If you decide to put a point in one category, you need to be able to explain why you put it there.

6.2 Considering information from different sources

You will now read an article from the business section of a newspaper, which discusses Brompton Bicycle and its business environment.



Figure 6 A Brompton Bicycle in action.

Activity 7

Read the following article from *The Daily Telegraph* and highlight the strengths, weaknesses, opportunities and threats mentioned by the writer which **match** the one (s) you picked from the video in the previous activity. Note the different dates of the publication of the article (2008) and the recording of the video (2012). This difference may mean that some information in the text is not the same as that in the video.

Bike maker prepares to step up a gear: Brompton wants to keep up with the competition without its folding bicycles losing their uniqueness.

This year, Brompton Bicycle expects to sell 19,000 of its folding machines, generating revenues of £7m and a pre-tax profit of £925,000.

But new managing director Will Butler-Adams is aware that if the west London business is to remain a player in a rapidly expanding global market it has to see significant sales growth. 'Last year one of our competitors made 350,000 bikes,' said Butler-Adams. 'The market potential is huge. Selling 19,000 is nothing.'

The problem is a mix of capacity – emphasised by a six-month lead time – and sluggish production methods. 'In the past we have not been able to make enough bikes to meet demand,' Butler-Adams said. 'We have been losing market share. The market has been growing 20% to 25% a year and we haven't been growing at the same rate.'

Using a system of double shifts backed by slicker systems, he wants to boost production to 50,000 bikes a year. To reach that, Brompton Bicycle is half way through a £1m production revamp and has just had a change of management.

Yet Butler-Adams is well aware that the debt-free firm's investment could be undermined by a competitor that not only compares on quality but undercuts on price. 'We are knee-deep in competitors,' he said. 'There is always the risk that someone could turn up with a bike just as good and compact as ours but for two thirds of the price.' Brompton bikes sell in the UK for between £550 and £1,200. Sales to Europe, the US and Far East account for 70% of income.

'I think we have the best folding bike but the competition is getting better all the time. If we don't take advantage of the opportunity in front of us, someone will come along and do a better job. They will be taking revenue and investing in research and development and will come up with something better. We have to move forward.'

'The Brompton is unique, but not that unique.'

There are other problems. Any patents Brompton had expired eight years ago, although the bike's design is still covered by copyright. Also, being based in a 22,000 sq ft site in London, it does not benefit from the low wage structure of Taiwan, where 80% of bikes are made.

In a country where traditional manufacturing skills are in short supply, Brompton has had to train many of its 85 staff in skills such as welding and brazing. It means that Brompton Bicycle – named after the area of London where the prototype was first developed – is unwilling to relocate.

In other cost areas, said Butler-Adams, it is more competitive. 'Most bike manufacturers are perpetually changing their models and so never refine their manufacturing process,' he said. 'Our bikes have hardly changed in 20 years and we have been able to invest over time in the tooling. It's a big upfront cost but it's an investment we have already made.'

Butler-Adams has further reduced costs by outsourcing non-core elements of the manufacture, retaining only the skilled machining and complex engineering at its Brentford base.

It is that engineering ethos that underpins Brompton. Butler-Adams said attention to detail – which started with the firm's founder, inventor Andrew Ritchie, when he created the company 20 years ago – is Brompton's main differentiator. 'They are built to last,' he said. 'We have to make sure that we don't become so obsessed by growing that we lose sight of that quality.'

'The Brompton is not a commodity product. We don't want to sell 250,000 a year as that would undermine the brand, making it so mainstream that it would lose its appeal. We are not interested in sales for sales' sake.'

The big sales push is focused overseas. Despite having just 10 outlets in the US – compared to 100 in the UK – America accounted for 5% of sales last year. 'We need to grow our overseas sales.'

Brompton sells direct to bike shops in the UK and US, using distributors to sell in other parts of the world. As only Brompton makes the spares, the firm continues to benefit from a revenue stream generated by the shops' after sales and servicing. It is that aftercare that precludes direct internet sales.

'We had the chance to go into 15 new shops in the US but didn't because we couldn't supply them,' said Butler-Adams, a chartered engineer who joined Brompton five years ago and who took over at the top this month following Ritchie's decision to step down and relinquish his majority shareholding.

Marketing so far has been by word of mouth: enthusiasts from its 150,000 worldwide users singing the praises of their Brompton. 'The foundation of a brand is what people say to each other about it,' he said. But to ramp up sales, Butler-Adams knows that the firm will need a more structured approach. 'We are going to have to start from scratch with marketing. We need to decide what we are about and what we want to communicate. We have to get our distribution, routes to market and brand awareness right.'

The target market are urbanites, commuters and those with boats and caravans – anyone, in fact, who wants a bike that folds to the size of a suitcase. The good news for would-be customers is that the six-month waiting time is now down to three weeks. 'I guess that'll give us another challenge,' said Butler-Adams. 'Now we are fulfilling orders more quickly, how do we fill the lull in the winter months?'

(Smith, 2008)

Discussion

You may have noted that although some of the SWOT points from the video are also mentioned in the newspaper text, there are some differences in the information presented by the different sources. There are differences in the number of bikes produced and the way the company is moving forward. One reason for these differences might be that the text was written in 2008 and the video made in 2012. Another reason for these differences could be that the sources were created for different purposes and different audiences. The video is for a general audience and has entertainment value, whereas the newspaper article is from the business section

of a newspaper and is more targeted at those interested in the business environment. It is important to check for differences in source information and make sure you find out why there are differences. Always check the dates on the sources you use, as this is key to understanding the content and its context. Additionally, make sure you always date your SWOT analysis as it is a snapshot of a particular business at a particular time.

7 Filling in the SWOT table

In this section, you will practise making concise notes to complete a SWOT table based on the information from the newspaper text on Brompton Bicycle.

It is important to remember that the newspaper text was published in 2008 and that the case study is a snapshot of Brompton at that time. This is not a problem as you are using this text for practice purposes. However, in a real study or workplace context you would need to be consulting more up-to-date information as companies such as Brompton are evolving fast.



Figure 7 Making a Brompton bicycle.

7.1 Identifying strengths and weaknesses

This activity will ask you to recognise points relevant to strengths and weaknesses, so you can make use of these in a SWOT analysis.

Activity 8

Read the Brompton Bicycle text again (below) and look for the sentences and phrases that refer to **strengths and weaknesses**. Mark the strengths and weaknesses in the text box below (you can highlight these in separate colours below, or mark in any other way). The answer will mark strengths in **bold text**, and weaknesses will be underlined.

This year, Brompton Bicycle expects to sell 19,000 of its folding machines, generating revenues of £7m and a pre-tax profit of £925,000.

But new managing director Will Butler-Adams is aware that if the west London business is to remain a player in a rapidly expanding global market it has to see significant sales growth. 'Last year one of our competitors made 350,000 bikes,' said Butler-Adams. 'The market potential is huge. Selling 19,000 is nothing.'

The problem is a mix of capacity – emphasised by a six-month lead time – and sluggish production methods. 'In the past we have not been able to make enough bikes to meet

demand,' Butler-Adams said. 'We have been losing market share. The market has been growing 20% to 25% a year and we haven't been growing at the same rate.'

Using a system of double shifts backed by slicker systems, he wants to boost production to 50,000 bikes a year. To reach that, Brompton Bicycle is half way through a £1m production revamp and has just had a change of management.

Yet Butler-Adams is well aware that the debt-free firm's investment could be undermined by a competitor that not only compares on quality but undercuts on price. 'We are knee-deep in competitors,' he said. 'There is always the risk that someone could turn up with a bike just as good and compact as ours but for two thirds of the price.' Brompton bikes sell in the UK for between £550 and £1,200. Sales to Europe, the US and Far East account for 70% of income.

'I think we have the best folding bike but the competition is getting better all the time. If we don't take advantage of the opportunity in front of us, someone will come along and do a better job. They will be taking revenue and investing in research and development and will come up with something better. We have to move forward.'

'The Brompton is unique, but not that unique.'

There are other problems. Any patents Brompton had expired eight years ago, although the bike's design is still covered by copyright. Also, being based in a 22,000 sq ft site in London, it does not benefit from the low wage structure of Taiwan, where 80% of bikes are made.

In a country where traditional manufacturing skills are in short supply, Brompton has had to train many of its 85 staff in skills such as welding and brazing. It means that Brompton Bicycle – named after the area of London where the prototype was first developed – is unwilling to relocate.

In other cost areas, said Butler-Adams, it is more competitive. 'Most bike manufacturers are perpetually changing their models and so never refine their manufacturing process,' he said. 'Our bikes have hardly changed in 20 years and we have been able to invest over time in the tooling. It's a big upfront cost but it's an investment we have already made.'

Butler-Adams has further reduced costs by outsourcing non-core elements of the manufacture, retaining only the skilled machining and complex engineering at its Brentford base.

It is that engineering ethos that underpins Brompton. Butler-Adams said attention to detail – which started with the firm's founder, inventor Andrew Ritchie, when he created the company 20 years ago – is Brompton's main differentiator. 'They are built to last,' he said. 'We have to make sure that we don't become so obsessed by growing that we lose sight of that quality.'

'The Brompton is not a commodity product. We don't want to sell 250,000 a year as that would undermine the brand, making it so mainstream that it would lose its appeal. We are not interested in sales for sales' sake.'

The big sales push is focused overseas. Despite having just 10 outlets in the US – compared to 100 in the UK – America accounted for 5% of sales last year. 'We need to grow our overseas sales.'

Brompton sells direct to bike shops in the UK and US, using distributors to sell in other parts of the world. As only Brompton makes the spares, the firm continues to benefit from a revenue stream generated by the shops' after sales and servicing. It is that aftercare that precludes direct internet sales.

'We had the chance to go into 15 new shops in the US but didn't because we couldn't supply them,' said Butler-Adams, a chartered engineer who joined Brompton five years ago and who took over at the top this month following Ritchie's decision to step down and relinquish his majority shareholding.

Marketing so far has been by word of mouth: enthusiasts from its 150,000 worldwide users singing the praises of their Brompton. 'The foundation of a brand is what people say to each other about it,' he said. But to ramp up sales, Butler-Adams knows that the firm will need a more structured approach. 'We are going to have to start from scratch with marketing. We need to decide what we are about and what we want to communicate. We have to get our distribution, routes to market and brand awareness right.'

The target market are urbanites, commuters and those with boats and caravans – anyone, in fact, who wants a bike that folds to the size of a suitcase. The good news for would-be customers is that the six-month waiting time is now down to three weeks. 'I guess that'll give us another challenge,' said Butler-Adams. 'Now we are fulfilling orders more quickly, how do we fill the lull in the winter months?'

Answer

Note: Strengths are marked in **bold text**, weaknesses are underlined.

Bike maker prepares to step up a gear: Brompton wants to keep up with the competition without its folding bicycles losing their uniqueness.

This year, Brompton Bicycle expects to sell 19,000 of its folding machines, generating revenues of £7m and a pre-tax profit of £925,000.

But new managing director Will Butler-Adams is aware that if the west London business is to remain a player in a rapidly expanding global market it has to see significant sales growth. 'Last year one of our competitors made 350,000 bikes,' said Butler-Adams. 'The market potential is huge. Selling 19,000 is nothing.'

The problem is a mix of capacity – emphasised by a six-month lead time – and sluggish production methods. 'In the past we have not been able to make enough bikes to meet demand,' Butler-Adams said. 'We have been losing market share. The market has been growing 20% to 25% a year and we haven't been growing at the same rate.'

Using a system of double shifts backed by slicker systems, he wants to boost production to 50,000 bikes a year. To reach that, Brompton Bicycle is half way through a £1m production revamp and has just had a change of management.

Yet Butler-Adams is well aware that the **debt-free firm's** investment could be undermined by a competitor that not only compares on quality but undercuts on price. 'We are knee-deep in competitors,' he said. 'There is always the risk that someone could turn up with a bike just as good and compact as ours but for two thirds of the price.' Brompton bikes sell in the UK for between £550 and £1,200. Sales to Europe, the US and Far East account for 70% of income.

'I think **we have the best folding bike** but the competition is getting better all the time. If we don't take advantage of the opportunity in front of us, someone will come along and do a better job. They will be taking revenue and investing in research and development and will come up with something better. We have to move forward.

'The Brompton is unique, but not that unique.'

There are other problems. Any patents Brompton had expired eight years ago, although **the bike's design is still covered by copyright**. Also, being based in a 22,000 sq ft site in London, it does not benefit from the low wage structure of Taiwan, where 80% of bikes are made.

In a country where traditional manufacturing skills are in short supply, Brompton has had to train many of its 85 staff in skills such as welding and brazing. It means that Brompton Bicycle – named after the area of London where the prototype was first developed – *is unwilling to relocate*.

In other cost areas, said Butler-Adams, it is more competitive. 'Most bike manufacturers are perpetually changing their models and so never refine their manufacturing process,' he said. '**Our bikes have hardly changed in**

20 years* and we have been able to invest over time in the tooling. It's a big upfront cost but it's an investment we have already made.'

Butler-Adams has further reduced costs by outsourcing non-core elements of the manufacture, retaining only the skilled machining and complex engineering at its Brentford base.

It is that engineering ethos that underpins Brompton. Butler-Adams said attention to detail – which started with the firm's founder, inventor Andrew Ritchie, when he created the company 20 years ago – is Brompton's main differentiator. 'They are built to last,' he said. 'We have to make sure that we don't become so obsessed by growing that we lose sight of that quality.'

'The Brompton is not a commodity product. We don't want to sell 250,000 a year as that would undermine the brand, making it so mainstream that it would lose its appeal. We are not interested in sales for sales' sake.'

The big sales push is focused overseas. Despite having just 10 outlets in the US – compared to 100 in the UK – America accounted for 5% of sales last year. 'We need to grow our overseas sales.'

Brompton sells direct to bike shops in the UK and US, using distributors to sell in other parts of the world. **As only Brompton makes the spares, the firm continues to benefit from a revenue stream generated by the shops' after sales and servicing.** It is that aftercare that precludes direct internet sales.

'We had the chance to go into 15 new shops in the US but didn't because we couldn't supply them,' said Butler-Adams, a chartered engineer who joined Brompton five years ago and who took over at the top this month following Ritchie's decision to step down and relinquish his majority shareholding.

Marketing so far has been by word of mouth: enthusiasts from its 150,000 worldwide users singing the praises of their Brompton. 'The foundation of a brand is what people say to each other about it,' he said. But to ramp up sales, Butler-Adams knows that the firm will need a more structured approach. 'We are going to have to start from scratch with marketing. We need to decide what we are about and what we want to communicate. We have to get our distribution, routes to market and brand awareness right.'

The target market are urbanites, commuters and those with boats and caravans – anyone, in fact, who wants a bike that folds to the size of a suitcase. The good news for would-be customers is that the **six-month waiting time is now down to three weeks.** 'I guess that'll give us another challenge,' said Butler-Adams. 'Now we are fulfilling orders more quickly, how do we fill the lull in the winter months?'

(Smith, 2008)

*Note that the unchanging design of the Brompton Bike is both a strength and a weakness.

7.2 Making concise notes

The following activity will involve making notes from longer sentences, so that complex ideas become more easily digestible as unnecessary details are removed.



Figure 8 The importance of making concise notes.

Activity 9

Having checked your answer to the previous activity, now transfer the strengths and weaknesses identified from the text into concise bullet points, using the following table. Use concise noun phrases (see the grammar note below) and formal language in your own words as far as possible. It may be possible to combine information from some of the sentences into a single bullet point. Some pieces of information are already concise, so require minimal or no changes. Use the completed examples to guide you and when you have finished, compare your answers with the answers provided.

Grammar note: Nouns and noun phrases

Many of the words that you select to make concise notes will be nouns. This is because nouns carry most of the meaning in a sentence. As nouns are words that name things, they tell you who or what the writer is talking about in a sentence, who performs the actions and who or what is affected by the actions. Some nouns are physical things, for example 'bicycle', 'shop', 'director'. These are known as concrete nouns.

Some nouns are not physical things that you can see or touch; they are more like ideas or processes, for example 'capacity', 'production' or 'competition'. These are known as abstract nouns. Abstract nouns are very

common in academic business language as they are used to encapsulate key concepts and ideas. It is important to recognise them and to use them in your writing as they help you to be succinct and precise.

Often nouns are used with other words that add information to the noun, e.g. adjectives or other nouns. This grouping of words is called a noun group or noun phrase, for example 'debt-free firm's investment', or, 'manufacturing process'.

Strengths

Sentence in text	Bullet point/noun phrase
1. Debt-free firm	<i>Provide your answer...</i>
2. We have the best folding bike	<i>Provide your answer...</i>
3. The bike's design is still covered by copyright	<i>Provide your answer...</i>
4. Our bikes have hardly changed in 20 years and we have been able to invest over time in the tooling. It's a big upfront cost but it's an investment we have already made	<i>Provide your answer...</i>
5. Butler-Adams has further reduced costs by outsourcing non-core elements of the manufacture	<i>Provide your answer...</i>
6. It is that engineering ethos that underpins Brompton. Butler-Adams said attention to detail – which started with the firm's founder, inventor Andrew Ritchie, when he created the company 20 years ago – is Brompton's main differentiator. They are built to last	Engineering ethos and attention to detail
7. The Brompton is not a commodity product	<i>Provide your answer...</i>
8. As only Brompton makes the spares, the firm continues to benefit from a revenue stream generated by the shops' after sales and servicing	Spares and aftercare revenue
9. Marketing so far has been by word of mouth: enthusiasts from its 150,000 worldwide users singing the praises of their Brompton	<i>Provide your answer...</i>
10. Six-month waiting time is now down to three weeks	<i>Provide your answer...</i>

Weaknesses

Sentence in text	Bullet points/noun phrase
1. The problem is a mix of capacity – emphasised by a six-month lead time – and sluggish production methods	<i>Provide your answer...</i>
2. In the past we have not been able to make enough bikes to meet demand	<i>Provide your answer...</i>
3. We have been losing market share ... The market has been growing 20% to 25% a year and we haven't been growing at the same rate	Market growth 20–25% per year; losing market share
4. Patents Brompton had expired eight years ago	<i>Provide your answer...</i>
5. Being based in a 22,000 sq ft site in London, it does not benefit from the low wage structure of Taiwan, where 80% of bikes are made	<i>Provide your answer...</i>
6. Unwilling to relocate	<i>Provide your answer...</i>
7. Our bikes have hardly changed in 20 years	<i>Provide your answer...</i>
8. We had the chance to go into 15 new shops in the US but didn't because we couldn't supply them	<i>Provide your answer...</i>

Answer

These tables show some possible ways of transferring the information on strengths and weaknesses to bullet points/noun phrases.

Strengths

Sentence in text	Bullet point/noun phrase
1. Debt-free firm	Debt-free firm (1)
2. We have the best folding bike	Best quality folding bike (2)
3. The bike's design is still covered by copyright	Design covered by copyright (3)
4. Our bikes have hardly changed in 20 years and we have been able to invest over time in the tooling. It's a big upfront cost but it's an investment we have already made	Investment in manufacturing already made (4)
5. Butler-Adams has further reduced costs by outsourcing non-core elements of the manufacture	Reduced costs due to outsourcing non-core manufacturing (5)
6. It is that engineering ethos that underpins Brompton. Butler-Adams said attention to detail – which started with the firm's founder, inventor Andrew Ritchie, when he created the company 20 years ago – is Brompton's main differentiator. They are built to last	Engineering ethos and attention to detail (6)
7. The Brompton is not a commodity product	Niche product (7)

8. As only Brompton makes the spares, the firm continues to benefit from a revenue stream generated by the shops' after sales and servicing	Spares and aftercare revenue (8)
9. Marketing so far has been by word of mouth: enthusiasts from its 150,000 worldwide users singing the praises of their Brompton	Effective word-of-mouth marketing (9)
10. Six-month waiting time is now down to three weeks	Waiting list reduced (10)

Weaknesses

Sentence in Text	Bullet points/noun phrases
1. The problem is a mix of capacity – emphasised by a six-month lead time – and sluggish production methods	Slow, inefficient production methods (1)
2. In the past we have not been able to make enough bikes to meet demand	Limited capacity to manufacture enough bikes to meet demand (1 and 2)
3. We have been losing market share. The market has been growing 20% to 25% a year and we haven't been growing at the same rate	Market growth 20–25% per year; losing market share (3)
4. Patents Brompton had expired eight years ago	Patents expired (4)
5. Being based in a 22,000 sq ft site in London, it does not benefit from the low wage structure of Taiwan, where 80% of bikes are made	Based in London, high running costs (5)
6. Unwilling to relocate	Unwilling to relocate (6)
7. Our bikes have hardly changed in 20 years	Lack of product development
8. We had the chance to go into 15 new shops in the US but didn't because we couldn't supply them	Growth constrained through its manufacturing capability (7)

Discussion

The words you used may not be exactly the same as the ones provided, but the aim was to keep the bullet points concise and formal, where possible using your own words and key concepts to group the information. Often this means creating a noun phrase which carries the main meaning. For example, 'aftercare revenue' is a noun phrase which represents 'the firm continues to benefit from a revenue stream generated by the shops' after sales and servicing' in sentence 8 in the 'Strengths' table.

Sometimes being concise may involve using a word which means the opposite of one that was used in the original text. For example, when the original text said 'not a commodity product', the corresponding bullet point says 'niche product'.

Sometimes when you make notes, you use words which are more formal than the one used in the original text, for example, the word 'sluggish' in sentence 1 of 'Weaknesses' is replaced by 'slow, inefficient'. This is very important if you are making notes for a formal report.

If key concepts are used in the original text, these can be kept when transferring information to the SWOT table. For example, the words 'design covered by copyright', 'production methods', 'market share' and 'engineering ethos' remain unchanged.

Having now extracted all the SWOT points from the text, and having summarised these points using noun phrases, the **strengths** and **weaknesses** sections of your SWOT table will look something like this:

Strengths	Weaknesses
<ul style="list-style-type: none">• Debt-free firm• Best quality folding bike• Design covered by copyright• Investment in manufacturing already made• Reduced costs due to outsourcing non-core manufacturing• Engineering ethos/attention to detail• Niche product• Spares and aftercare revenue.• Effective word-of-mouth marketing• Waiting list reduced	<ul style="list-style-type: none">• Slow inefficient production methods• Limited capacity to manufacture enough bikes to meet demand• Market growth 20–25% per year; losing share• Patents expired• Based in London, high running costs• unwilling to relocate• No development of product• Growth constrained through its manufacturing capability

7.3 Describing opportunities and threats

The next activity is focused on recognising opportunities and threats that affect a business, and interpreting notes made about these.



Figure 9 Thinking about the 'O' in 'SWOT'.

Activity 10

Now read the Brompton Bicycle text once more (below), this time looking for the sentences and phrases that refer to **opportunities** and **threats**. (You have already noted the references to strengths and weaknesses in the previous activity.) To help you do this, look at the table below, which includes the bullet point notes that a business and management student, Michael Boyd, made in his SWOT table when reading the text. Next to each bullet point, write a corresponding sentence or phrase from the text. There may be more than one sentence or phrase for each bullet point.

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The problem is a mix of capacity – emphasised by a six-month lead time – and sluggish production methods. 'In the past we have not been able to make enough bikes to meet demand,' Butler-Adams said. 'We have been

losing market share. The market has been growing 20% to 25% a year and we haven't been growing at the same rate.'

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Yet Butler-Adams is well aware that the debt-free firm's investment could be undermined by a competitor that not only compares on quality but undercuts on price. 'We are knee-deep in competitors,' he said. 'There is always the risk that someone could turn up with a bike just as good and compact as ours but for two thirds of the price.' Brompton bikes sell in the UK for between £550 and £1,200. Sales to Europe, the US and Far East account for 70% of income.

'I think we have the best folding bike but the competition is getting better all the time. If we don't take advantage of the opportunity in front of us, someone will come along and do a better job. They will be taking revenue and investing in research and development and will come up with something better. We have to move forward.

'The Brompton is unique, but not that unique.'

There are other problems. Any patents Brompton had expired eight years ago, although the bike's design is still covered by copyright. Also, being based in a 22,000 sq ft site in London, it does not benefit from the low wage structure of Taiwan, where 80% of bikes are made.

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'The Brompton is not a commodity product. We don't want to sell 250,000 a year as that would undermine the brand, making it so mainstream that it would lose its appeal. We are not interested in sales for sales' sake.'

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(Smith, 2008)

Sentence in text

- 1.
- 2.
- 3.
- 4.
- 5.

Bullet point notes made by Michael

Opportunities

- Growth potential in a rapidly expanding global market
- Increase marketing presence

- 1.
- 2.
- 3.
- 4.
- 5.

Threats

- Competition from other manufacturers
- Price undercutting from competitors
- Competitors' research and development departments are improving their products
- Seasonal demand issues

Note: make sure you understand the difference between 'market presence' and 'marketing presence'.

Answer

Sentence or phrase in text	Bullet point notes made by Michael
Opportunities	
<ul style="list-style-type: none"> Will Butler-Adams is aware that if the west London business is to remain a player in a rapidly expanding global market it has to see significant sales growth... 'The market potential is huge.' [bullet point 1] 'We need to grow our overseas sales.' [bullet point 1] 'We are going to have to start from scratch with marketing. We need to decide what we are about and what we want to communicate.' [bullet point 2] 	<ul style="list-style-type: none"> Growth potential in a rapidly expanding global market Increase marketing presence
Threats	
<ul style="list-style-type: none"> Last year one of our competitors made 350,000 bikes [bullet point 1] investment could be undermined by a competitor that not only compares on quality but undercuts on price. [bullet point 2] the competition is getting better all the time. [bullet point 1] They will be taking revenue and investing in research and development and will come up with something better. [bullet point 3] 'how do we fill the lull in the winter months?' [bullet point 4] 	<ul style="list-style-type: none"> Competition from other manufacturers Price undercutting from competitors Competitors' R&D are improving their products Seasonal demand issues

Discussion

You will see that the wording of the bullet points is very concise. In some cases a single bullet point has been used to summarise more than one sentence from the original text. Some of the words used in the bullet points are key business concepts, such as 'growth potential'. The use of the phrase 'growth potential' enables you as the writer of the analysis to look at a real-world business situation, (e.g. the fact that a business has the possibility to sell to customers in many other countries where there is a high level of new demand) and make a more general, abstract statement about the situation. The phrase 'growth potential' includes many practical, real, on-the-ground facts but describes the situation succinctly and keeps the focus of the reader at the level of an idea, a concept. These words are 'spring loaded' in that we use a short word or phrase to represent a considerable amount of information without including all the details or

evidence. This is useful as it enables you as the case study analyst to see at a glance the 'snapshot' of the company in its environment. It also means that when you come to write your analysis, you are able to write in a formal, abstract, academic style which is a convention in case study analyses.

7.4 Using your own words



Figure 10 Using your own words.

In the previous activity you saw that Michael used his own words in the bullet points. It is very important to use your own words when making notes from a case study text in preparation for a written assignment as this will help you to avoid copying pieces of the original text. Copying chunks of original text when you write a business assignment does not show your tutor that you have understood the text. If it is done without using quotation marks and a reference, it can lead to accusations of plagiarism (see below). There will be some words and phrases, however, which will remain the same, especially if these are key concepts, for example: 'global market', 'research and development'.

Plagiarism is passing off someone else's work as your own without acknowledging the source. If you would like to find out more about what plagiarism is and how to avoid it, try some of the 5-minute activities on the Open University Library's [Being Digital](#) website.

Another point to note is that Michael has used more formal language in the bullet points. The tone of the article itself is quite informal because Butler-Adams is being interviewed and therefore spoken language is used. In order to produce a more formal report on Brompton, Michael used formal language in his bullet points and, as you shall see later in this session, used these to write up his report.

Activity 11

Look more closely at how Michael transformed the words from the original text to make concise, formal bullet points for the 'Threats' section of the SWOT table and then answer the questions that follow.

Threats

Sentence or phrase in text	Bullet point notes made by Michael
<ol style="list-style-type: none"> 1. Last year one of our competitors made 350,000 bikes 2. investment could be undermined by a competitor that not only compares on quality but undercuts on price. 3. the competition is getting better all the time. 4. They will be taking revenue and investing in research and development and will come up with something better. 5. 'how do we fill the lull in the winter months?' 	<p>Threats</p> <ul style="list-style-type: none"> • Competition from other manufacturers. • Price undercutting from competitors. • Competitors' research and development is improving their products. • Seasonal demand issues.
<ol style="list-style-type: none"> 1. Which two sentences were combined to make one bullet point? 2. Which verb from sentence 2 was changed into a noun in the bullet points? What is the effect of this? 3. Which non-essential information was left out of sentence 2 when Michael wrote the corresponding bullet point? 4. Which non-essential information was left out of sentence 4? 5. What are the more formal expressions that Michael uses for 'come up with something better' from sentence 4 and 'how do we fill the lull?' in sentence 5? 6. Identify the key business concepts that Michael has used in the following bullet points. <ul style="list-style-type: none"> ◦ Competition from other manufacturers. ◦ Price undercutting from competitors. ◦ Competitors' research and development is improving their products. ◦ Seasonal demand issues. 	

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Answer

The overall result of these changes is that Michael has made concise notes to represent the information from the original case study. By making his language more concise and using his own words in the form of key concepts he is now well prepared to write his analysis of the case without the risk of copying from the original. His notes were also selective as the information had to be related to only one of the SWOT concepts, opportunities or threats.

1. Michael combined information from sentences 1 and 3 to make one bullet point.
2. He changed 'undercuts on price' to 'price undercutting'. The effect of this is that the student now has a readymade noun phrase which is an abstract concept and can be used to make a well-formed sentence. For example, the student could say 'Price undercutting could lead to ...' or 'Brompton needs to guard against price undercutting'.
3. The information considered not essential from sentence 2 was 'investment could be undermined by a competitor that ...'.
4. The information considered not essential from sentence 4 was 'they will be taking revenue and investing in'.
5. More formal language is used so that sentence 4 – 'come up with something better' – becomes 'improving their products' and sentence 5 – 'how do we fill the lull?' – becomes 'seasonal demand issues'.
6. The key concepts are italicised:
 - *Competition* from other *manufacturers*
 - *Price undercutting* from *competitors*
 - *Competitors' research and development* is improving their products
 - *Seasonal demand* issues

Discussion

The overall result of these changes is that Michael has made concise notes to represent the information from the original case study. By making his language more concise and using his own words in the form of key concepts he is now well prepared to write his analysis of the case without the risk of copying from the original. His notes were also selective as the information had to be related to only one of the SWOT concepts, opportunities or threats.

A word cloud shaped like a map of Brompton, featuring terms like 'production', 'market', 'future', 'weakness', 'products', 'methods', 'year', 'many', 'London', 'growth', 'improvements', 'research', 'costs', 'staff', 'growing', 'unwilling', 'company', 'services', 'looking', 'consumer', 'demands', 'development', 'traditional', 'expensive', 'weaknesses', 'meet', 'demand', 'enough', 'makes', 'based', 'main', 'poor', 'unable', 'relies', 'customers', 'methodology', 'bikes', 'match', 'place', 'produce', 'constricted', 'inefficient', 'relocate', 'also', 'high', 'inability', 'rest', 'develop', 'take', 'innovate', 'little', 'Although', 'way'.

In this section you will focus on one of the paragraphs from Michael's SWOT analysis of Brompton and learn how to write an effective paragraph.

Next, you will learn about the importance of selecting and organising information carefully when writing a paragraph.

Read this paragraph from Michael's SWOT analysis where he outlines the weaknesses he identified in the case study text. Then, look again at the list of weaknesses from the SWOT table (shown again below) and answer the following questions:

- Although Brompton has many strengths, it also has weaknesses. The main weakness is that the company is not growing in line with the rest of the market. The market has grown 20 – 25% year on year and Brompton has been unable to match this rise. This growth has been constrained by inefficient production methods and the inability to produce enough bikes to meet consumer demand. Being based in London makes production more expensive as staff costs are high here and, as Brompton is unwilling to relocate, this will continue to be a weakness in future. Finally, the issue of patent expiry

has not been addressed and there appears to be little research and development into future products and services taking place. Brompton relies on traditional engineering methods and is not looking to the future with how it can innovate further to develop products to meet the demands of customers and improvements to its production methods.

Weaknesses

- Slow inefficient production methods
- Limited capacity to manufacture enough bikes to meet demand
- Market growth 20–25% per year; losing share
- Patents expired
- Based in London, high running costs
- Unwilling to relocate
- No development of product
- Growth constrained through its manufacturing capability

Answer

The point that Michael has put first in his paragraph is the fact that the company is 'not growing in line with the rest of the market', which relates to the third point on the list of weaknesses, in particular the words 'losing share'. This is because Michael has identified this as the 'main' point, the most important one from the list. It is the main point because it is the most serious weakness and as such, it affects the sustainability and success of the business.

8.2 How to structure a paragraph

You'll now listen to an explanation of the key factors that make the paragraph just examined so well structured.

Activity 13

Watch the following video, and note down any points which you find particularly useful. Listen more than once if necessary.

Video content is not available in this format.

There are a few general rules about what makes a well-structured paragraph.
Usually a paragraph in a piece of formal writing

Is linked to the previous paragraph through signposting and / or explanation.

Answer

Your notes will depend on which information you found useful, but they may contain the following information.

There are a few general rules about what makes a well-structured paragraph. Usually a paragraph in a piece of formal writing:

1. is linked to the previous paragraph through signposting and/or explanation
2. makes the main point (often called a high-level generalisation) in the first sentence or the first couple of sentences
3. develops the main point through giving examples or further details (often called low-level generalisations)
4. uses signposting to guide the reader
5. uses **pronouns** to refer back to information already given, e.g. 'this', 'it' or 'they'.

8.3 From source to notes to paragraph

This activity will demonstrate how source material can be reduced into notes summarising the key points, and then used to illustrate points in a final SWOT text.

Activity 14

Click on the arrow below to see how the snippets from the original newspaper text, on the left, transferred into bullet points for the Weaknesses section of the SWOT table.

Interactive content is not available in this format.

Now click on the arrow below to see how the bullet points from the SWOT table were developed into the final paragraph. The numbers in brackets show which point ended up where in the paragraph.

Interactive content is not available in this format.

Discussion

What you might have noticed here is that the student did not just transfer the list of points from the SWOT table into his analysis. He carefully considered the points to see how best to organise them. This consideration led to a choice of what would be his main point, based on which was the most significant weakness for the business. This led on very logically to the other contributing points.

8.4 Write your own paragraph

You'll now put theory into practice, as you construct your own short and informative paragraph.

Activity 15

Choose **one** section from the completed SWOT table for Brompton Bicycle and expand the information to write your own paragraph of approximately 150 words for the assignment title below. Choose any section apart from the weaknesses section, as this was used in the example for the previous activities. Use the tips and advice given to make your decisions about ordering and organising the information so that it is coherent for your reader. This means starting with more general information and moving on to more specific information. You can omit points that you consider to be very minor to keep to the word limit, and remember to check that you are using formal language. You do not need to include recommendations at this stage.

Assignment title

Use the SWOT framework to analyse the internal and external environment of Brompton Bicycle as described in the case study. Provide recommendations to Brompton Bicycle about future actions they should take for business success.

SWOT of Brompton Bicycle

Strengths	Weaknesses

- | | |
|--|---|
| • Debt-free firm | • Slow inefficient production methods |
| • Best folding bike | • Limited capacity to manufacture enough bikes to meet demand |
| • Design covered by copyright | • Market growth 20–25% per year; losing share |
| • Investment in manufacturing already made | • Patents expired |
| • Reduced costs due to outsourcing non-core manufacturing. | • Based in London, high running costs |
| • Engineering ethos/attention to detail | • Unwilling to relocate |
| • Niche product | • No development of product |
| • Spares and aftercare revenue | • Growth constrained through its manufacturing capability |
| • Effective word-of-mouth marketing | |
| • Waiting list reduced | |

Opportunities

- Growth potential in a rapidly expanding global market
- Increase marketing presence

Threats

- Competition from other manufacturers
- Price undercutting from competitors
- Competitors' R&D departments are improving their products
- Seasonal demand issues

Write your paragraph here:

Provide your answer...

Answer

This activity has involved transforming the notes you made on the text into a paragraph to make up part of your analysis. This is a process of organising the information, expanding it and using your own words to provide an analysis. How did you find the process? You will need to follow this process for any case study analysis drawing on different sources. If you need more general advice on academic writing, visit the [Academic writing page](#) within the *Skills for OU study* section of the Open University website.

9 Michael's SWOT analysis of Brompton Bicycle

In this section, you will look at the full text that Michael Boyd has written, based on his SWOT analysis of Brompton Bicycle using the information in *The Daily Telegraph* text. It is his answer to the assignment question:

Assignment question

Use the SWOT framework to analyse the internal and external environment of Brompton Bicycle as described in the case study. Provide recommendations to Brompton Bicycle about future actions they should take for business success.

Word count: 500–600 words

You will see that Michael has expanded the notes from the SWOT table to write the analysis, as well as including recommendations of his own.



Figure 12 Words relating to Michael's SWOT analysis.

9.1 Arranging the report into paragraphs

You will read Michael's SWOT analysis of the Brompton article, and make observations about the way it is written.

Activity 16

Read Michael's analysis, and firstly try to identify what the purpose of each paragraph is.

SWOT analysis

Brompton Bicycle is the biggest bicycle manufacturer in Britain. The company is well-known for the high quality of its niche product, a folding bicycle popular with commuters. This report will analyse the current internal and external environment for Brompton, using the SWOT framework and provide recommendations for future actions.

Brompton's strengths include the fact that the company is debt free and is seen as having the best folding bike on the market which is viewed by customers as a quality product. The refined manufacturing processes, engineering focus and attention to detail within Brompton has allowed the company to create a niche product. Another strength Brompton possesses is the aftercare revenue it is able to generate through spares and servicing; this ensures quality control and continues to keep a strong relationship with its customers post sale. Because Brompton's customers are responsible for word of mouth marketing, the relationship with their customers is one of their key strengths and one which Brompton can rely on for promoting and providing increased credibility of the brand.

Although Brompton has many strengths, it also has weaknesses. The main weakness is that the company is not growing in line with the rest of the market. The market has grown 20 – 25% year on year and Brompton has been unable to match this rise. This growth has been constrained by inefficient production methods and the inability to produce enough bikes to meet consumer demand. Being based in London makes production more expensive as staff costs are high here and, as Brompton is unwilling to relocate, this will continue to be a weakness in future. Finally, the issue of patent expiry has not been addressed and there appears to be little research and development into future products and services taking place. Brompton relies on traditional engineering methods and is not looking to the future with how it can innovate further to develop products to meet the demands of customers and improvements to its production methods.

Although Brompton has weaknesses, there are opportunities for this company. Growth in international markets provides a real opportunity to expand Brompton's sales overseas where already 70% of the firm's revenue is generated. Currently Brompton's enthusiasts provide a good source of word of mouth advertising, however, if this were channelled into a more structured approach the brand could reach a much wider audience.

Brompton must also consider its threats. Competition from many other bike manufacturers threatens Brompton's existing market share and future growth potential. Competitors are investing heavily in research and development and their products are improving all the time, which means that there is the threat that not only could another manufacturer undercut Brompton on price, but they could also design a product that is of equal quality. As Brompton only sells bicycle products, it is impacted by seasonal demand and this is a threat as revenue is not consistent throughout the year.

In conclusion, Brompton needs to take advantage of the opportunities in front of it. There is an opportunity for international growth, however, this needs to be managed correctly. With this in mind, it would be prudent to

recruit the experience of a director for international growth to help focus and manage this expansion. Brompton needs to agree a research and development budget to improve quality and further refine manufacturing processes. Developing an online presence through blogs and web sites could help increase Brompton's marketing ability and provide a conduit for sales through ecommerce.

References:

Smith, P. (2008) 'Bike maker prepares to step up a gear: Brompton wants to keep up with the competition without its folding bicycles losing their uniqueness', *The Daily Telegraph*, 1 April, p. 11.

(The Open University, 2008)

Answer

Constructing your text using paragraphs in a structured, logical way helps you to organise and group your thoughts and will help your reader to understand the information in the text. Generally a paragraph should express one main idea, which is expanded and developed within the paragraph. In this case, the following notes are relevant:

1. There are six paragraphs in total.
2. The purpose of each paragraph is:

Paragraph 1 Introduction

Paragraph 2 Summary of strengths

Paragraph 3 Summary of weaknesses

Paragraph 4 Summary of opportunities

Paragraph 5 Summary of threats

Paragraph 6 Recommendations and conclusion

A note on referencing

Michael has written one reference at the end of his text. This is because all of his information comes from one source: the Smith article from *The Daily Telegraph*.

9.2 Guiding your reader

Signposting phrases are another useful technique for guiding the reader through the text, and establishing the structure you'll be following as you write.

Activity 17

Now look at how Michael effectively uses signposting phrases. Hover over the phrases in bold to see an explanation of how they are used.

Interactive content is not available in this format.

9.3 Making recommendations

The point of conducting a case study analysis by using a framework such as SWOT is to find ways of addressing issues or problems in organisations. This also means thinking critically about issues and coming up with convincing recommendations. The ability to do so enhances your professional communication skills.

Activity 18

In this final activity for this course, you're going to look at the recommendations that Michael has made in the final paragraph of his analysis.

Final paragraph of Michael's text

In conclusion, Brompton needs to take advantage of the opportunities in front of it. There is an opportunity for international growth, however, this needs to be managed correctly. With this in mind, it would be prudent to recruit the experience of a director for international growth to help focus and manage this expansion. Brompton needs to agree a research and development budget to improve quality and further refine manufacturing processes. Developing an online presence through blogs and web sites could help increase Brompton's marketing ability and provide a conduit for sales through ecommerce.

1. How many recommendations did Michael make?
2. How did using a SWOT framework enable Michael to think through the issues posed by the business environment and come to the point where he was able to make recommendations?
3. What do you think of these recommendations in terms of business improvement?

- 1.
- 2.
- 3.

Answer

1. Michael makes five recommendations:
 - take advantage of opportunity for international growth
 - manage this correctly – recruit a director for this
 - agree a R&D budget and refine manufacturing process
 - increase online presence: blogs/websites
 - develop sales through ecommerce.

2. The SWOT analysis helped Michael to pick out certain relevant information, and leave out the points that are less relevant to the company in terms of what it should do next. It gave focus and clarity to his thinking. The SWOT analysis also helped him to organise his thinking and therefore his text in a very clear way. Michael was able to structure his answer into the four key sections of strengths, weaknesses, opportunities and threats and then write his recommendations for a strategy based on relevant evidence.
3. Your view of these recommendations will depend on how much you know about this area of business. They seem to be logical recommendations based on the information in the text. This is because the company seems ready to grow and these actions are the first steps towards that goal. You may feel that you do not have enough knowledge to make recommendations based on one text, but it is a good idea to develop the habit of thinking things through for yourself and formulating ideas and suggestions based on SWOT analyses, as this is a key expectation when you are studying business and management.

Conclusion

Congratulations! You have now reached the end of this free course, *Business communication: writing a SWOT analysis*. You should now feel that you can:

- understand the SWOT framework
- use the SWOT framework for analysing a business case study or a workplace situation
- make concise, formal notes from a case study text
- use appropriate language and structuring to organise and write a SWOT analysis for a business context

Reflective activity

Reflect on the activities in this course by answering the following questions.

Why is it useful to use a framework such as SWOT to analyse a business?

Provide your answer...

Do you feel more prepared for writing a case study analysis after studying this session?

Provide your answer...

What are the most important things you will remember when you come to writing a SWOT analysis of your own?

Provide your answer...

What are the next steps you would like to take to continue developing your communication skills for business?

Provide your answer...

This OpenLearn course is an adapted extract from the Open University course [LB170 Communication skills for business and management](http://www.open.edu/openlearn/money-business/business-communication-writing-swot-analysis/content-section-0).

Now you've completed the course we would again appreciate a few minutes of your time to tell us a bit about your experience of studying it and what you plan to do next. We will use this information to provide better online experiences for our learners and to share our findings with others. If you would like to help, please fill in this [optional survey](#).

References

Smith, P. (2008) 'Bike maker prepares to step up a gear: Brompton wants to keep up with the competition without its folding bicycles losing their uniqueness', *The Daily Telegraph*, 1 April, p. 11.

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