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Contents:

Agenda:

- An introduction of SWOT analysis . What is it? What are the advantages and disadvantages?
- A summary of the Body Shop. What is their background and main purpose?
- Completion of the SWOT analysis of the Body Shop: What challenges are affecting the retail industry in general? How has retail changed in recent years? What are other similar retailers doing as a benchmark?
- Recommendations: What can be recommended to The Body Shop to do next as a result of the SWOT analysis?

The introduction of the SWOT analysis.

SWOT is a popular and one of the most effective strategy mechanisms which is used in different companies, industries, sectors of the economy, state and public institutions, the scientific sphere and persons. It helps to assess and understand the external and internal factors that may create ups and downs for all of them, as we can read in the book of Sarsby (2016).

According to Gurel (2017): "This is the theory of how to obtain a competitive advantage".

The SWOT analysis was developed in the 1960s in the USA at the Stanford Research Institute by Robert Franklin Stewart. His team focused on understanding why corporate planning often failed. This led to the SWOT approach.

This stands for Strengths, Weaknesses, Opportunities and Threats.

Weaknesses and Strengths are internal features. These are attributes of a company that offer it a comparative advantage or disadvantage over rivals. It is easier to deal with them if the right resources are available, as more control is possible.

When it comes to internal factors, there are two different ways to implement improvements.

1. Hold a meeting with senior departmental officials to create a business plan to improve the current situation.
2. Explore and implement new methods, such as project management, to help improve these processes.

Opportunities and Threats, however, come from outside sources.

Management can take advantage of opportunities found in the external environment to boost company performance; improve growth and increase profitability. External factors are caused by processes that are beyond the company's sphere of influence. This includes competitors, market trends and everything that affects the organisation from the outside.

External factors are more complicated, as the company cannot directly influence the outcome. The process, however, can be routed in a different direction, which will reduce the negative impact of these.

Problems can be solved by:

1. Competing according to market trends.
2. Predicting market trends before they occur.

The external environment cannot be controlled, but the organisation can respond to it.

"The SWOT method of analysis has its advantages and disadvantages" Pereira (2023).

The strong points are:

- Helps to identify external and internal components that are both beneficial and negative for the company.
- It is easy and simple.
- Makes the leaders think strategically.
- Costs nothing for the organisation.
- One method can reveal four scenarios.
- Can be displayed in images and easy to visualise.
- It does not demand any business education.
- It develops communication between the participants.
- Makes people examine all factors affecting their business.
- It promotes collaboration of different faculties within one organisation.

The weak points are:

- Sometimes very simple and misses nuances.
- SWOT assessment depends on subjective judgement. Different people may see the same situations differently.
- Does not guide users beyond the limits of the framework.
- Does not prescribe solutions to the weaknesses and threats.
- It is not a detailed report, but a guide.
- People can make errors and misjudge important points.

“SWOT analysis points out possibilities and difficulties you or the company faces and can measure internal and external factors that affect your professional growth or the business” (Lyden, 2018).

By analysing a business, a project or even the life of an individual, SWOT provides an effective method to recognise the elements that impact on success.

We shall apply this approach to analysing The Body Shop crisis.

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