

# SWOT Analysis

Setting up a restaurant or cafe? Or perhaps you've been running for a while now but want to identify your point of difference (what are YOU doing that sets you apart!) against a competitor up the road?

How can you enhance what you're already doing to boost your sales and make your business a roaring success? It's also worth spending some time checking out your competitors. Maybe you can identify a gap in your competitors business that you could leverage off by incorporating into your own business? The ideas you come up with here can easily turn into many more dollars in the till and if you're seeking funding, it will show your financier you're prepared and know your business!

Welcome to the SWOT analysis. A fancy acronym that sounds like it will deal with bugs and flies rather than business, but a crucial tool in defining your Strengths, Weaknesses, Opportunities and Threats. Here's how it looks:

## SWOT

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

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## STRENGTHS

These are the positive attributes of your business. They are internal and within your control.

- What do you do well? Good service, great coffee, amazing steak?
- What resources do you have? A great chef, happy staff, an automated POS system?
- What advantages do you have over your competition? More car parking, better reputation, changing specials?

## WEAKNESSES

These are the negative factors, those that detract from your ability to get a competitive edge. Where could you improve? Be honest with yourself, and your business. It's ok to admit the aspects that you're not doing so well in. Just by identifying them, you've made it much easier to take the first step to fix them.

- What do your competitors do better? Open longer hours, child friendly, grazing menu?
- What resources do they have? Better location, a great website, sponsorship with the footy team?

## OPPORTUNITIES

These are external factors, attractive factors that represent the reason for your business to exist and prosper. What can you benefit from in future?

- Are there any trends happening in your industry? People seeking lighter options, healthier meals, cheaper deals?
- Positioning or perception opportunities? Think vouchers, online reviews, food bloggers.

## THREATS

These are external factors beyond your control that are potential threats. Noting them down keeps you alert and aware of future issues and may mean you can put a contingency plan in place.

- What if costs went up? Think food suppliers, landlord, staff award rates, electricity.
- Changes in the landscape? A new competitor, less car parking, liquor licensing.
- What if somebody perceived you to have a poor reputation? Food reviews, bloggers, media mentions.

## EXAMPLE SWOT

An example for a small suburban cafe, that opens for breakfast and lunch and is known for their great coffee and service with a smile.

### STRENGTHS

1. QUALITY SERVICE
2. GREAT COFFEE
3. MOTIVATED STAFF
4. GREAT REPUTATION

### WEAKNESSES

1. LOW MARGIN ON MAIN MEALS
2. LIMITED FOOD PREP SPACE - LIMITS OPTIONS ON THE MENU
3. A POOR WEBSITE

### OPPORTUNITIES

1. OPEN FOR DINNER
2. PROMOTE TAKEAWAY COFFEES (LESS OVERHEAD, HIGHER VOLUME)
3. ONLINE BOOKINGS
4. SPONSORSHIP OF LOCAL BALLET SCHOOL (MUMS TEND TO LUNCH AFTER THE CHILDREN'S CLASSES)

### THREATS

1. COST OF COFFEE BEANS RISING WITH A NEW CONTRACT LOOMING
2. STREET PARKING BECOMING SCARCE
3. BARISTA LEAVING
4. REPUTATION BEING HURT BY REVIEWS

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