



Supply Chain
Innovation

SUPPLY CHAIN SWOT

Purpose

The purpose of a supply chain SWOT analysis is to provide an overview and information to enable the match of strengths and weaknesses to the opportunities and threats encountered by the company in its environment.

Participant(s)

Top management, supply chain management, key employees.

Application

The tool can be used to identify strategic opportunities for the company when developing supply chain strategies as well as in the overall strategy process.

Method

A SWOT analysis is completed by each department, after which the results are consolidated at company level. It is important that the identified factors are supported by facts.

When performing a SWOT analysis, an exhaustive number of factors of each of the dimensions, strengths, weaknesses, opportunities and threats, has to be identified. Hereafter the importance of the factors is assessed and finally they are presented in a SWOT matrix.

As a tool the SWOT matrix can be used to develop strategies. By combining the identified factors, the company is able to develop strategies in which the influence of the company's strengths and opportunities is maximized, and the influence of the company's weaknesses and threats is minimized. This will require selection and prioritization, since the identified strategic opportunities are rarely compatible.

Supply chain SWOT

Internal conditions

Strengths

Describe what the company is good at, e.g.:

- Product knowledge
- Quality
- Capital situation

Weaknesses

Describe what a company cannot do or could do better, e.g.:

- Lack of project resources and skills
- Long lead-time

External conditions

Opportunities

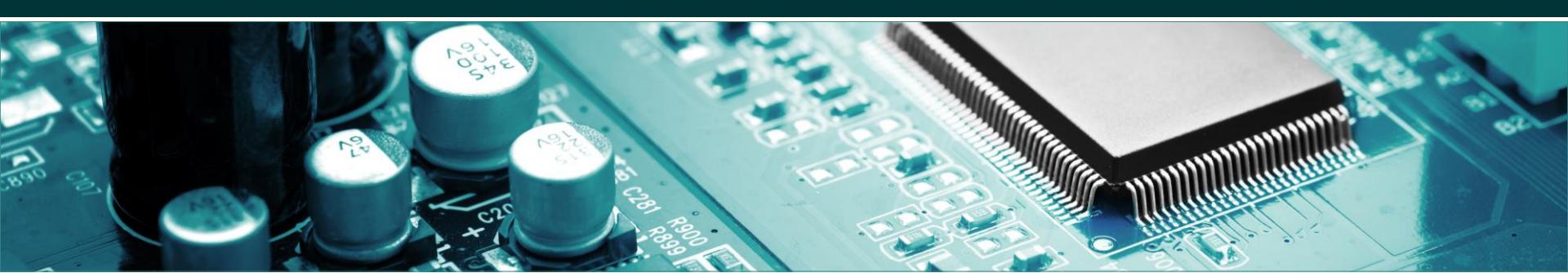
Describe the factors of the environment that influence the company, e.g.:

- Global players become larger
- New legislation

Threats

Describe the factors of the environment that influence the company negatively, e.g.:

- Competitors have better functioning supply chain
- Single source



Benefits

The advantage of this tool is that it provides an overview of strengths and weaknesses in the supply chain, and the opportunities and threats it offers.

Output

When the opportunities and threats are identified, a plan of action to exploit the opportunities and disarm the threats can be initiated; for instance, internal reorganizations or investments.