



Using a SWOT analysis to evaluate practice purchases



This business tool can help you identify areas for improvement.

The SWOT analysis is a powerful strategic tool used by business leaders everywhere. It guides you to identify Strengths, Weaknesses, Opportunities, and Threats at this moment in time.

There are subtle differences between strengths and opportunities and between weaknesses and threats:

- **Strengths** and **weaknesses** are **internal** and **controllable** by you. Having a patient portal would be a strength, and having old diagnostic tools would be a weakness.
- **Opportunities** and **threats** are **external** and **beyond your control** to some extent. An emerging diagnostic technology may offer you the opportunity to be more accurate. A new type of cyber crime could be a threat.

Below is a grid with basic questions to help you get started, but don't limit yourself to these. This worksheet is meant to be a brainstorming tool.

<p>Strengths</p> <p><i>What is our competitive advantage? What resources do we have? What do patients and competitors see as our strengths?</i></p>	<p>Weaknesses</p> <p><i>Where do we fall short of competitors? What resources do we lack? What do patients and competitors see as our weaknesses?</i></p>
<p>Opportunities</p> <p><i>What resources could help us improve? What services or products could we add or expand? What could we do to attract new business? What local populations are underserved?</i></p>	<p>Threats</p> <p><i>What regulations could impact us? Where are we at risk for damage, danger, or loss? What trends or competitors could take our business?</i></p>

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How can my team participate?

With brainstorming, two heads — or ten heads — are better than one. Also, consider providing each person on your team with their own (clean) grid. Explain how to use it and what type of feedback you're looking for. Ask them to be honest and specific.

What do I do with the findings?

Now it's time to consolidate the findings and think about ways to adapt or improve on your offerings.

- **Compile the results.** Keep track of how often each point appears so you can see commonalities. Cross off outliers or anything you're not ready to address right now.
- **List your top concerns.** Use the chart below to capture the key areas where you'd like to improve. Then use the second column to list possible solutions. For example, if long wait times are a problem, automated appointment reminders may help.
- **Identify pros and cons.** If you can't decide what to do first, what you can afford, or what would be most beneficial, use the last two columns below to weigh the pros and cons. Also consider meeting with a financial advisor to discuss financing options and a timeline.

Areas for improvement	Ideas for addressing them	Pros	Cons

For more practice-specific tips for managing your business, visit our [small business resources page](#).

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