

## **Swot Analysis Example**

The SWOT Analysis identified the opportunities, threats, strengths and weaknesses of the bank, as follows:

### **Opportunities**

- The Bank is very well placed with a good and assured customer base from the level of the government and the public sector business.
- Many patriotic Nationals will do business with Sample Bank Ltd because they know that the profits of the Bank belong to the people of the country and are used for the country's development.
- The availability of modern telecommunication systems and technology will facilitate the improvement and strengthening of the Bank's international business and ATM services, and the development of new services, such as telephone banking.
- The increased access to computers by customers will allow the bank to reach more target groups through electronic communication.
- The tourism industry is growing - cruise ship berth was built, new international airport coming, hotel industry developing, new foreign investors- which should introduce more capital into the country and should spawn employment opportunities for locals.

- The political stability and the economic growth across the eight member countries of the ECCB Currency Union, including this country, ensures the stability of the EC\$, and this is an encouragement for persons returning home to invest locally.
- The establishment of the CARICOM Single Market and Economy can present opportunities for us to better utilise any excess liquidity through diversification of our lending portfolio and through investments.
- The merger of Barclays Bank and CIBC could result in internal conflicts due to cultural differences that may cause customers to move to Sample Bank Ltd.
- The population that is mostly young comprises a strong workforce capable of advancing the Government's developmental plans to take the country's forward.

## **Threats**

- Some customers prefer to do business with our competitors because Sample Bank Ltd is Government owned and political interference or changes often affect their confidence in the Bank.
- Sample Bank Ltd may be unable to attract certain customers because it is Government owned and there is the perception that their account information is open to the Government and its agencies.
- The introduction of American culture and lifestyles into our society could result in greater external spending and so have a negative impact on the local economy.

- With the establishment of the CARICOM Single Market and Economy the Bank will be faced with competition from regional banks that are better equipped and prepared to meet the changing needs of customers.
- We also have to compete with banks and other financial institutions in the Organisation of Eastern Caribbean States (OECS) and abroad as a result of globalisation.
- First Caribbean International Bank (the new entity that will be formed from the merger of Barclays Bank and CIBC) will be a stronger force to reckon with, as it will be able to reach a wider cross-section of the market due to the combining of strategic capabilities and competences, human and financial resources, and contacts and delivery networks.
- The black listing of the country by the FATF could affect the Bank's correspondent banking relationships, as the Bank will be under greater scrutiny from the eyes of the outside world. Any severing of such relationship will curtail the bank's ability to handle customers' international business.
- The deterioration of the banana industry, one of the country's major industries, could result in a downturn in the economy.
- The anticipated decline of the local tourism industry as a result of the recent terrorist attacks on the US could also result in a downturn in the economy.

- There is increased competition from the non-bank financial sector, the credit unions, the savings & loans bank, the building & loans association and the insurance companies. These institutions are not regulated by Central bank and hence they are not restricted in their operations. They have been paying very high rates on deposits and have also been offering more and more of the services which were traditionally offered by commercial banks.
- The Eastern Caribbean Securities Exchange (ECSE), which was recently opened by the ECCB across the eight member territories of the ECCB currency union, will present other investment opportunities to customers and could reduce our deposits, as well as our chance to raise additional deposits.

## **Strengths**

- Our leading position in the industry, with respect to our market shares of assets, loans and deposits, puts us in a position to influence the level of interest rates.
- We are the only local commercial bank with a Board of Directors, a Board that can attract good business to the Bank as it consists of successful & respected business people with a good mix of expertise in key industries and with strong social links in the country. Approval of loans is faster with a local Board in place.
- Most of the staff are young and have the requisite capabilities, and are re-trainable for newer systems and technology. This will therefore make the selection and training of the sales team easy.

- All the members of the staff are local, and very well known and have good contact with all sectors of the community. They will therefore be in a good position to attract more customers to the Bank.
- The network of branches and other outlets affords customers service from any point within the state as the computer mainframe is accessible from all branches.
- The Bank is leading the local competition in information technology, and its core banking system has the capacity for further advancements. Customers may prefer to open accounts at Sample Bank Ltd because statements and account information are produced faster than our competitors who on several occasions have to wait on their regional head offices to forward the information.
- The monopoly some branches have by being the only bank in the particular area and the only collector of bills for various utility companies is advantageous in increasing customer base.
- The strong network of regional and international correspondent relationships places the Bank in an advantageous position in the execution of foreign exchange business.
- It may be an advantage for Sample Bank Ltd to have the largest customer base as customers may encourage others to use its services.

## **Weaknesses**

- The lack of exposure for our staff as a result of our poor customer mix makes it difficult for our staff to be as experienced and equipped as most of our competitors to deliver services efficiently and maintain high standards of service.
- Our international competitors, the other four commercial banks, are better prepared to stay afloat in the face of strong competition with research departments and qualified staff to keep their institutions in line with legal, technological, operational and other changes.
- The Bank is totally reliant on its correspondent banking relationships to conduct its foreign exchange business and may find it impossible to survive against its international competitors if its correspondent banks should close such relationships.
- Although Sample Bank Ltd has the largest customer base, it has over the years had little success in attracting the business community because it is government owned, and may continue to fail in this regard.