

SWOT ANALYSIS: COMPANY STRATEGY

Orange County Inland Empire SBDC Network

Lead Center hosted by: California State University, Fullerton

Mihaylo College of Business and Economics

800 N. State College Blvd. SGMH-4157, Fullerton, CA 92831

P: (657) 278-3672 F: (657) 278-5723

leadsbdc.org | sbdc@fullerton.edu



Strengths (“INSIDE” OF YOUR COMPANY)

- What is your strongest business asset?
- What do you offer that makes you stand out from the rest?
- What unique resources do you have?
- Do you have any specific marketing expertise?
- Do you have a broad customer base?
- Additional strengths

Weaknesses (“INSIDE” OF YOUR COMPANY)

- What can be improved?
- In what areas do your competitors have the edge?
- What necessary expertise / manpower do you currently lack?
- Do you have cash flow problems?
- Are you relying primarily on just a few clients or customers?
- Additional weaknesses

Opportunities (“OUTSIDE” OF YOUR COMPANY)

- What trends do you see in your industry?
- What trends might impact your industry?
- What **external** changes present interesting opportunities?
- What have you seen in the news recently that might present an opportunity?

Threats (“OUTSIDE” OF YOUR COMPANY)

- What obstacles do you face?
- What is the competition doing that you're not?
- What challenges can be turned into opportunities?
- Are **external** economic forces affecting your bottom line?
- Additional threats

NOTE: IMPORTANT

Strength and weakness have to do with something about the company. A characteristic about them. For example, a really good computer system THAT LEADS TO DECREASING SALES is not a weakness but a RESULT. A SWOT does NOT have results it gives you things to be careful about and to take advantage off by outlining what you should focus on.

Example: Mimi's, Inc. SWOT Analysis

Company Overview

Mimi's, Inc. is a large U.S. based retailer with sales of \$26.8 billion in fiscal year 2016 with over 700 department stores and 125 specialty stores. The company's retail operations fall in four major areas:

1. Mimi's Department Stores
2. Kiki's Outlets (Premium Department Stores)
3. Specialty Stores (including Kiki's Outlet and Mimi's Backstage)
4. Online Stores (Mimis.com, Kiki's.com, & bluek.com)

In addition, Mimi's has 27 private brands and labels

Analysis Summary

Mimi's is a well-known company with high brand recognition. Although it does offer discounts, it is known for a better shopping experience than some of its competitors (i.e. JC Penney).

But as a large percent of US shopping transitions to online purchases, Mimi's faces some headwinds given that it's brand is more representative of the brick and mortar shopping experience than the online one. This poses a challenge as strong online competitors like Amazon continue to strengthen.

Furthermore, lower priced competitors like Target, J.C Penny, and even Walmart are offering "high-end like" products but with lower prices.

Nevertheless, Mimi's has many strengths and opportunities. One key opportunity is international expansion into developing economies. Extending to Asia for instance might provide growth given the country's fast growing middle class who are prime for stores like Mimi's. Secondly, Mimi's should continue to expand it's online capabilities while finding ways to pair them with in-store added value.

Strengths

- The Kiki's Brand: The luxury department store is well positioned as the economy continues to rebound and high-end shoppers in the US continue to increase spend.
- 17 Private brands and 10 private labels only offered at Mimi's provide differentiation and ability to control costs.
- High Brand recognition around the United States and even internationally (a brand that represents the US)
- 850 department stores: Large footprint provides plenty of possible convenience for customers
- Mimi's credit card reward system:
- Well executed and maintained stores: Quality environment in stores do not require much more investment
- System for customers to shop with less risk
 - Great return policy giving the customer 365 days to return an item as long as item is in saleable condition.
 - Easy returns by adding return label to all merchandise incase customer loses receipt.

Weaknesses

- Subpar online product shipping: Amazon offers 2-day free shipping for prime users with no minimum purchase. While Mimi's has a 7 -10-day free shipping option with purchases above fifty dollars.
- Mimi's as a brand is not associated with an actual product but an experience thus making it difficult for people to think Mimi's when searching for a specific type of product online (example: Nike = sports clothing).
- No diversification: Not globalized, Mimi's does not have many stores worldwide.

Opportunities

- US Corporate Tax Reform: Will likely help retailers
- Growing economies both in the US and abroad should increase spending in Mimi's product categories
 - Example: A high percentage of the population of china is expected to be middle class by 2022. This is the perfect time for Mimi's and Bloomindales to expanding.
 - Rocketing stock market prices (which tend to correlate with increased premium product spend)
- Falling Competitors: Sears for example continues to struggle.

Threats

- Emergence of Fast Fashion purveyors: Stores like Forever 21 are making knock off high fashion designs and selling them for less.
- Larger Competitors offering better pricing and more convenience: Competitors like Target, Costco, and Walmart now offer clothing, groceries, furniture, and everything you can think of in one stop. They are also aggressively pushing to lower prices.