SWOT ANALYSIS

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**What is SWOT Analysis?**

SWOT analysis is an internationally recognized tool that is used in business to assess the current situation of a company and to predict the business's future life (Phadermrod, Crowder, & Wills, 2019). It stands for Strengths, Weaknesses, Opportunities, and Threats. Opportunities and threat are external factors whereas weakness and strength are internal factors

**How it is useful for an organization**

SWOT analysis is an important tool that is used in business to assess the current situation of the business and to develop strategies that are important to encounter competition. It helps the organization to predict future perspectives and financial environments. It also helps organizations to develop critical and specific decisions to plan the strategic objective of the organization. This analysis is also helpful in predicting future difficulties and problems. It is a very important tool that is required for decision making, different workshop sessions, and evaluation of products, problem-solving and personal development planning (Phadermrod et al., 2019).

**SWOT Analysis**

The company which I have chosen for the SWOT analysis is Huawei Company. SWOT analysis is an interactive process that needs coordination among various departments such as marketing, operation, finance, and management information system (Xia & Gan, 2017).

**Strength**

One of the greatest strengths of this company is its competitive pricing and large product portfolio. Huawei Company is among top three of smartphone brands and it is on the second number in the international market of smartphones. Over the years number of shipments of smartphones are growing faster. The increase in the sale of the smartphones has also led to an increased profit. The entire business of smartphones is divided into three categories i.e. enterprise business, carrier, and consumer. Another strength of this company is its technological innovation. This company has maintained its highest focus on innovation and research since its beginning. Huawei invests a large amount every year in its development and research. This company has also emerged as a leading smartphone industry in the field of 5G Technology and because of the camera technology its smartphone has gained rapid popularity (Deng, 2017). Huawei's global presence is also one of its leading strengths. The business has expanded rapidly in market shares and revenue. This company is working with a large number of distributors, business partners and a large network of suppliers.

**Weaknesses**

One of the weaknesses of Huawei is that it has faced a huge number of controversies due to which its image in the market has tainted to a great extent in the global market. Huawei is not good at forecasting product demand due to which it's both in channel and in-house inventory is high. Another weakness of Huawei is a high workforce attrition rate as compared to other organizations. Due to this Huawei have to spend more time on the development and training of employees as compared to its competitors. Financial planning is not done efficiently and properly due to which the net contribution percentage and profitability ratio are below the average (Pu, 2018).

**Threats**

The change in customer buying pattern from an online channel could be a great threat to the current physical infrastructure of the Huawei supply chain model. Another threat is that, in western countries Huawei is facing a ban. The consumer technology industry is highly competitive across the world. Due to this Huawei have to deal with great competition from major brands such as Apple and Samsung. Any technology brand needs to have a strong image in the market.

**Opportunities**

The green drive of the government has created an opportunity for the procurement of Huawei products. Secondly, Huawei Company has built and designed 5G friendly mobile users. The stability in the free cash flow has provided the opportunity to invest in other product segments. Another opportunity for Huawei Company is the adoption of the new technology standards that provide an opportunity to enter into the new emerging market. Another great opportunity for Huawei is to increase customers from online channels.

**Strategies to Implement**

Huawei should focus on its marketing strategy instead of business strategy to create its strong image in a global market. Policies should be made to reduce the employee's attrition rate. Although the Huawei Company has created its strong position by using the online media for sale but still it is recommended that Huawei should also focus on building a brand retail chain as this will help in increasing sales as well as customer loyalty (Luong, 2019).

**Conclusion**

In this paper SWOT analysis of Huawei company is done with the main purpose to identify the strategies that a company can use to exploit opportunities, counter threats, protect and build on strengths and eradicate weaknesses.

**References**

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