**SWOT Analysis for a Coffee Cafe**

Opening a coffee shop is more than knowing the difference between a mocha latte and a caramel macchiato. Before you pick out your theme and the catchy phrase your staff will chant when greeting customers, you must strategize your operational plan. Creating a SWOT analysis -- identifying the good, bad and potential ugly -- for your business is essential before moving forward. No matter if you create a formal plan or scratch some ideas on a napkin, know where you stand within the industry and against your competition.

SWOT is an acronym for strengths, weaknesses, opportunities and threats. Business owners can conduct a SWOT analysis as part of planning. This analysis helps you identify vital areas to either emphasize or improve. Simply listing strengths, weaknesses, opportunities and threats does not provide you with a useful analysis. Techniques for addressing each of the four SWOT categories can improve the accuracy of your analysis.

**Strengths**

Your coffee shop needs to stand out from the rest as you compete with several neighborhood favorites and the giants like Starbucks and Dunkin Donuts. Identifying your strengths is where you pinpoint your niche within the market such as serving homemade desserts or having distinctive ambiance. Identify at least one or two things that will drive customers to your café repeatedly. Consider that one of your strengths may simply be on an impeccable location where you're the only game in town. Use opportunities such as those to your benefit.

**Weaknesses**

Every business has a weakness. It could be that due to your budget, you'll have to keep your location small or that you won't be able to order premium blends from overseas. Your weaknesses are those areas that you either do not perform well in, are missing the mark on or at an overall disadvantage. It's easy and enjoyable to focus on the dynamic products and services you'll offer, however, it's just as necessary to consider those that could pose a problem.

**Opportunities**

Creating new opportunities is where you can plan for growth in products such as adding a "coffee of the month" and special discounts for frequent customers. List both short-term and long-range goals so that you can anticipate logistical needs for all aspects. Some physical growth, such as opening a larger or additional location, may be in the works and therefore you should plan ahead for what is needed to reach those goals.

**Threats**

Your competition is an obvious threat to your business, but there are other key factors you should take into account. Ask yourself questions such as "Will customers continue to frequent coffee shops or is this a fad?" and "How will product costs affect my business?" Write down a list of your threats such as your location flooding when it rains to how your limited menu causes customers to go elsewhere. Mull over all of your potential threats to complete your plan.