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USE SWOT TO EXCEL YOUR BUSINESS

Hair salons are involved in a competitive industry with diverse target markets. With such diversity in an ever-changing industry, hair salons must have an aggressive and strategic approach to maintaining a competitive edge. The **SWOT** analysis is a tool for building these strategies. **SWOT** stands for strengths, weaknesses, opportunities and threats. It helps businesses, including hair salons, to identify the areas in which they excel while classifying areas that require improvements and adjustments.

Strengths
Identifying the strengths of a hair salon can, at times, be as easy as looking at the clientele. A hair salon with an abundant clientele list is a sign of successful marketing, good operations and strong client management. Still, a strong analysis will identify the reasons that those strengths are strengths. Factors like a well-trained team and a high traffic location may be the core strengths of the salon.

Weaknesses
Weaknesses can be reflected in the hair salon's register receipts, but not always. For instance, lack of proper stylist training and poor customer care can hinder the hair salon's income, but still not limit it. Identifying the hair salon's weaknesses is the first step to making strategic improvements. It is important to take an unbiased look at the salon while completing this section. Weaknesses can be as simple as a lack of inventory, or as challenging as having the wrong location with limited space and parking.

Opportunities
While the strengths and weaknesses are internal aspects of the hair salon analysis, the opportunities and threats portion of the SWOT evaluate the external aspects of the salon. The ever-evolving hair trends and styles can present many opportunities for the hair salon.

Opportunities can include introducing new hair styles and styling methods, introducing new product lines and brands in the salon's inventory and attracting a new client market.

Threats
A hair salon's threats are things that threaten the livelihood of the business. These can range from new competition to changes in the industry's laws and regulations. While many threats cannot be changed, the salon should identify threats in order to create strategic adaptations to overcome impending challenges. For instance, the hair salon's customer base may be threatened by a new hair salon that enters the area. Although you cannot force the new hair salon to move, you can create new strategies to counteract the competition, retain your customer base and bring in new customers. These might include introducing new styles, providing new promotions and specials, and promoting the salon's customer benefits.