**Evergrande Real Estate SWOT Analysis**

Strengths of Evergrande Real Estate – Internal Strategic Factors

As one of the leading organizations in its industry, Evergrande Real Estate has numerous strengths that enable it to thrive in the market place. These strengths not only help it to protect the market share in existing markets but also help in penetrating new markets. Based on [Fern Fort University extensive research](http://fernfortuniversity.com/) – some of the strengths of Evergrande Real Estate are –

* High level of customer satisfaction – the company with its dedicated customer relationship management department has able to achieve a high level of customer satisfaction among present customers and good brand equity among the potential customers.
* Automation of activities brought consistency of quality to Evergrande Real Estate products and has enabled the company to scale up and scale down based on the demand conditions in the market.
* Successful track record of developing new products – product innovation.
* Reliable suppliers – It has a strong base of reliable supplier of raw material thus enabling the company to overcome any supply chain bottlenecks.
* Strong Brand Portfolio – Over the years Evergrande Real Estate has invested in building a strong brand portfolio. The SWOT analysis of Evergrande Real Estate just underlines this fact. This brand portfolio can be extremely useful if the organization wants to expand into new product categories.
* Highly skilled workforce through successful training and learning programs. Evergrande Real Estate is investing huge resources in training and development of its employees resulting in a workforce that is not only highly skilled but also motivated to achieve more.
* Good Returns on Capital Expenditure – Evergrande Real Estate is relatively successful at execution of new projects and generated good returns on capital expenditure by building new revenue streams.
* Successful track record of integrating complimentary firms through mergers & acquisition. It has successfully integrated number of technology companies in the past few years to streamline its operations and to build a reliable supply chain.

Weakness of Evergrande Real Estate – Internal Strategic Factors

Weakness are the areas where Evergrande Real Estate can improve upon. Strategy is about making choices and weakness are the areas where a company can improve using SWOT analysis and build on its competitive advantage and strategic positioning.

* Organization structure is only compatible with present business model thus limiting expansion in adjacent product segments.
* Not highly successful at integrating firms with different work culture. As mentioned earlier even though Evergrande Real Estate is successful at integrating small companies it has its share of failure to merge firms that have different work culture.
* There are gaps in the product range sold by the company. This lack of choice can give a new competitor a foothold in the market.
* Days inventory is high compare to the competitors – making the company raise more capital to invest in the channel. This can impact the long term growth of Evergrande Real Estate
* The marketing of the products left a lot to be desired. Even though the product is a success in terms of sale but its positioning and unique selling proposition is not clearly defined which can lead to the attacks in this segment from the competitors.
* Not very good at product demand forecasting leading to higher rate of missed opportunities compare to its competitors. One of the reason why the days inventory is high compare to its competitors is that Evergrande Real Estate is not very good at demand forecasting thus end up keeping higher inventory both in-house and in channel.
* High attrition rate in work force – compare to other organizations in the industry Evergrande Real Estate has a higher attrition rate and have to spend a lot more compare to its competitors on training and development of its employees.

Opportunities for Evergrande Real Estate – External Strategic Factors

* Lower inflation rate – The low inflation rate bring more stability in the market, enable credit at lower interest rate to the customers of Evergrande Real Estate.
* The market development will lead to dilution of competitor’s advantage and enable Evergrande Real Estate to increase its competitiveness compare to the other competitors.
* New customers from online channel – Over the past few years the company has invested vast sum of money into the online platform. This investment has opened new sales channel for Evergrande Real Estate. In the next few years the company can leverage this opportunity by knowing its customer better and serving their needs using big data analytics.
* Organization’s core competencies can be a success in similar other products field. A comparative example could be - GE healthcare research helped it in developing better Oil drilling machines.
* New trends in the consumer behavior can open up new market for the Evergrande Real Estate . It provides a great opportunity for the organization to build new revenue streams and diversify into new product categories too.
* Stable free cash flow provides opportunities to invest in adjacent product segments. With more cash in bank the company can invest in new technologies as well as in new products segments. This should open a window of opportunity for Evergrande Real Estate in other product categories.
* New environmental policies – The new opportunities will create a level playing field for all the players in the industry. It represent a great opportunity for Evergrande Real Estate to drive home its advantage in new technology and gain market share in the new product category.
* Government green drive also opens an opportunity for procurement of Evergrande Real Estate products by the state as well as federal government contractors.

Threats Evergrande Real Estate Facing - External Strategic Factors

* Increasing trend toward isolationism in the American economy can lead to similar reaction from other government thus negatively impacting the international sales.
* Changing consumer buying behavior from online channel could be a threat to the existing physical infrastructure driven supply chain model.
* Liability laws in different countries are different and Evergrande Real Estate may be exposed to various liability claims given change in policies in those markets.
* No regular supply of innovative products – Over the years the company has developed numerous products but those are often response to the development by other players. Secondly the supply of new products is not regular thus leading to high and low swings in the sales number over period of time.
* Intense competition – Stable profitability has increased the number of players in the industry over last two years which has put downward pressure on not only profitability but also on overall sales.
* Shortage of skilled workforce in certain global market represents a threat to steady growth of profits for Evergrande Real Estate   in those markets.
* Growing strengths of local distributors also presents a threat in some markets as the competition is paying higher margins to the local distributors.
* The demand of the highly profitable products is seasonal in nature and any unlikely event during the peak season may impact the profitability of the company in short to medium term.

**Limitations of SWOT Analysis for Evergrande Real Estate**

Although the SWOT analysis is widely used as a strategic planning tool, the analysis does have its share of limitations.

* Certain capabilities or factors of an organization can be both a strength and weakness at the same time. This is one of the [major limitations of SWOT analysis](https://hbr.org/2007/03/from-swot-to-tows-answering-a-readers-strategy-question) . For example changing environmental regulations can be both a threat to company it can also be an opportunity in a sense that it will enable the company to be on a level playing field or at advantage to competitors if it able to develop the products faster than the competitors.
* SWOT does not show how to achieve a competitive advantage, so it must not be an end in itself.
* The matrix is only a starting point for a discussion on how proposed strategies could be implemented. It provided an evaluation window but not an implementation plan based on strategic competitiveness of Evergrande Real Estate
* SWOT is a static assessment - analysis of status quo with few prospective changes. As circumstances, capabilities, threats, and strategies change, the dynamics of a competitive environment may not be revealed in a single matrix.
* SWOT analysis may lead the firm to overemphasize a single internal or external factor in formulating strategies. There are interrelationships among the key internal and external factors that SWOT does not reveal that may be important in devising strategies.

**Weighted SWOT Analysis of Evergrande Real Estate**

In light of the above mentioned limitations of the SWOT analysis / matrix, corporate managers decided to provide weightage to each internal strength and weakness of the firm. Organizations also assess the likelihood of events taking place in the coming future and how strong their impact could be on company's performance.

This method is called Weighted SWOT analysis. It is better than doing simplistic SWOT analysis because with Weighted SWOT Analysis Evergrande Real Estate managers can focus on the most critical factors and discount the non-important one. It also solves the long list problem where organizations ends up making a long list but none of the factors deemed too critical.