

SWOT



Presented by:

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and

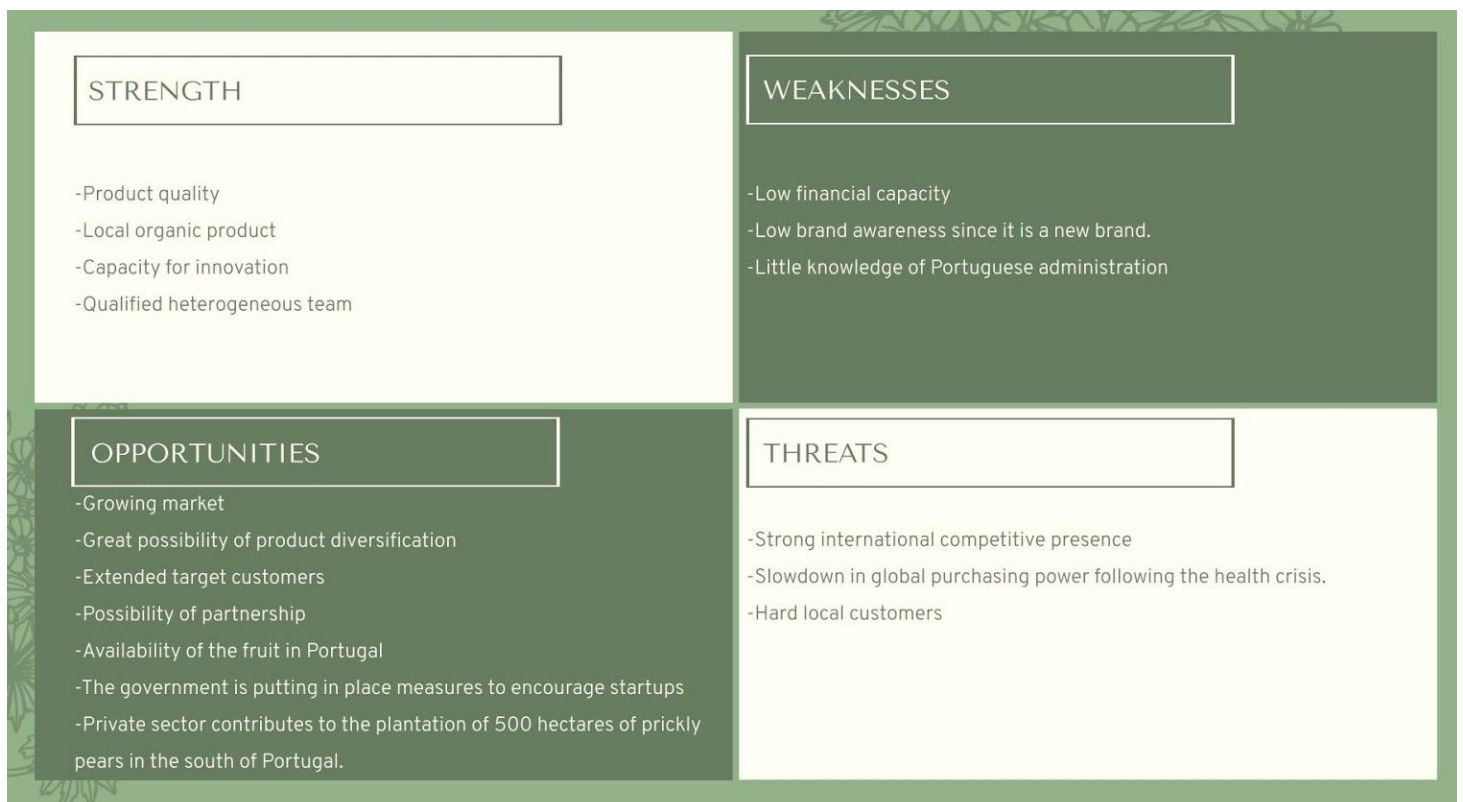
ZAIBI Feryel

As part of our master of Product and Process Innovation

What Is SWOT Analysis?

SWOT (strengths, weaknesses, opportunities, and threats) analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors, as well as current and future potential.

A SWOT analysis is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of an organization, its initiatives, or an industry. The organization needs to keep the analysis accurate by avoiding preconceived beliefs or gray areas and instead focusing on real-life contexts. Companies should use it as a guide and not necessarily as a prescription.



Strength :

We were able to highlight four important points representing the strengths that our company possesses.

First, the quality of our products and future products. We are going to develop and produce 100% natural products without any chemical or solvent additions. Therefore, our products will be pure and of high quality as they have more active ingredients due to their purity.

Our second point is the use of organic products. Our raw material will be bought from Portuguese farmers who do not use insecticides and who have an organic production that respects the environment. This in order to always promote our values of naturalness and respect for the environment and the skin of our customers, whether in B2C or B2B.

Third, our ability to innovate. Certainly our first products will be prickly pear seed oil and skin care products based on this oil. However, the market for essential oil and skin care products is constantly growing in terms of sales but also in terms of product innovation and technology. Our company will be no exception to this rule. We will have the ability and opportunity to develop new products. We are already studying these probabilities. Such as for example an oil based on chestnut, oil mixes, care products based on our different oils that we were going to develop.

Regarding the technology, we will use cold extraction without the addition of additives, this technology is one of the cleanest and most environmentally friendly on the market, but this does not prevent new innovations that can speed up or improve oil extraction. We also want to make the fullest possible use of our various wastes. By developing or using an innovative technology currently on the market, which consists of using waste in the form of biogas. Or develop products based on our waste, such as prickly pear flour or chestnut waste flour. But of course this is more planned in the long term.

And finally, one of our strengths is our diverse team. Currently we are two people for the beginning.

TAAMALLAH Marwa, who has the scientific skills for the development of our products and the technological knowledge for the extraction for our basic product which is oil. She also has the biological knowledge to know the components of our products and the most favorable mixtures for our products. She has been able to practice and develop this knowledge through her university career, the different internships and work she has done during the last 6 years.

ZAIBI Feryel, who has gained the necessary skills in marketing, communication, finance, accounting and entrepreneurship through her academic background but also through her internships and practical work in these different fields.

The mix of these two skills represents a development power for our company since it allows us to have a balance but also will spare us some expenses with different contributors such as an accountant or a laboratory technician.

Weaknesses :

Like any company, we also have weaknesses that we need to work on. We were able to identify three essential points.

Since we are a new company on the Portuguese market but also on the international market, we have little or no notoriety. Only a small circle of people know our company and our brand, but this can be explained by the fact that we have not yet started marketing our products, but also by the lack of communication on social networks. These are important points to develop but we plan to start these actions once our products are well developed and tested to ensure the good quality and efficiency of our offers.

We are two Tunisian entrepreneurs and newly arrived in Portugal, which means that our knowledge of Portuguese law in terms of business creation is very limited as well as in terms of administrative procedures. For this reason, we need to carry out further research, either on the internet or with people who have already developed a company or are about to do so, in order to acquire the necessary and exact notions for a good start and development.

And last but not least, one of our weaknesses that we consider to be among the most important is our financial capacity, which is weak and limited at this stage. This factor is generally one of the most problematic points for the majority of new companies. To remedy this, we seek to apply in financing calls in order to obtain appropriate financing for the development of our products and the creation of our company. It is also possible to check if we are eligible to apply for a bank credit, but for this purpose we also need to make research with the banking institutions.

Of course, every weakness and problem has a solution and we had to focus on these points in order to develop them and make them a strength and no longer a weakness.

Opportunities :

Opportunities are the advantages that the market and the environment possesses and that can benefit us for the development, growth and prosperity of our project.

We were able to identify several points but we are going to focus on 7 aspects that we considered the most important.

As already briefly mentioned above, the market for skin care products is constantly growing. According to the source: "L'Oréal's estimate of the global cosmetics market in 2019 in net manufacturer prices. Excluding soaps, oral hygiene, razors and blades. Excluding monetary effects", the cosmetics market in general is growing by 5.5% annually and 60% of this increase applies to skin care products. These products, in general, represent 40% of the global cosmetics market.

Other articles and sources affirm this point such as the world census site Statista.com which is a leading provider of market statistics and consumer behavior. Or Vividata.ca , which is a leading Canadian multimedia and consumer research site, offering essential information on global consumption.

This data and information can only confirm the fact that the market is in perpetual growth. This allows us to conclude that investing in this market can be profitable if the approach and actions are well studied and applied.

In the same continuity, if a market is growing, it also means that the demand is more and more present. If the demand is growing, it also means that the potential customers or consumers are expanding and their number is growing. For us this is a positive point and an opportunity to reach more people. Moreover, according to the source: "ISA-Conso.fr Les produits pour hommes en plein boom, published on 04/03/2020 by MIRABELLE BELLOIR", skin care products are experiencing a 6.8% growth in sales in 2019, which is a significant number considering that these products have only entered the cosmetics market during the last 5 years. This demonstrates, once again, that the market is in perpetual growth and that the number of potential customers is growing.

In parallel with our strengths, there is a strong possibility of product diversification. Certainly this is a strength because we have the possibility to do so, but it is also an opportunity offered by the natural environment as well as the competition. To avoid marketing myopia, we must always be on the lookout for innovations and technologies offered or developed by competitors. This may be perceived as a threat by some industries, but it is also an opportunity for us to create and market new products.

Furthermore, the natural environment offers a multitude of exploitable raw materials, either fruits or wild herbs with substances that can bring a lot to the skin or to the health of the human being and this while respecting our ecological and biological values.

To continue in the same perspective of nature's offer, one of the opportunities we can mention is the availability of the primary fruit in Portugal, the Prickly Pear. In fact, this fruit is cultivated and is present enormously in the south of the country and more precisely in the Algarve. But also, one of the largest cactus cultivation and consequently the fruit can be found on the island of Madeira. This point allows us to use and import this fruit always within the Portuguese legal framework and without the need of other countries exporting this fruit. This allows us to develop the Portuguese agricultural market while maintaining a constant production.

In addition, one of the significant opportunities is the establishment of 500 hectares of prickly pears in southern Portugal by the private sector to develop the market. This is a not negligible point for us because it allows us to have a constant and above all local supply.

We also have the opportunity to make partnerships with food industries in order to supply us with their prickly pear waste. Knowing that the food industries do not use, if not rarely, the seeds of the fruits because they can give a bitter taste to juices or other food products, we wish to make partnerships with industries to recover the seeds so that we can use them for the extraction of the oil. These partnerships allow us to reduce our costs and adapt to our philosophy of waste valorization.

One possible example of partnership is with Compal, a juice production industry in Portugal, which is beginning to market a prickly pear juice.

The last point of opportunity that we consider essential for our business is the Government. The latter has put and continues to put in place measures to encourage the launch and prosperity of new startups and companies in order to improve the economic factor of the country and encourage young entrepreneurs, which can also help reduce the unemployment rate through the employment of skilled workers or even laborers.

Threats :

While the external environment offers opportunities, it does not prevent the presence of threats that can slow business growth.

Three major threats have been identified.

The competition at the national level is certainly weak with the presence of only one company manufacturing prickly pear oil of Portuguese origin. However, at the international level a large number of industries market this oil and its derivatives, as well as skin care products based on this oil, despite the fact that the origin of the fruit used is often imported from North Africa or Latin America. This may hinder our expansion on a broader level.

Despite the statistics cited above regarding the growth of the cosmetics market and more specifically the skin care market, we cannot overlook the possible threat of slow global purchasing power as a result of the health crisis facing the world. This threat may cause the shutdown of several industries and consequently the dismissal of a large number of employees. And this leads to a decrease in purchasing power and the prioritization of products to be purchased from certain households. As the Maslow Pyramid tool can demonstrate, some individuals or households have a different purchasing priority to others, and therefore skin care products or essential oils may have a low priority for some.

Finally, the last threat that we have identified is the demand of local consumers, which may be more difficult to convince than some other international segments.