

Baker Hughes

“SWOT is an acronym for the internal Strengths and Weaknesses of a firm and the environmental Opportunities and Threats facing that firm. SWOT analysis is a widely used technique through which managers create a quick overview of a company’s strategic situation. The technique is based on the assumption that an effective strategy derives from a sound “fit” between a firm’s internal resources (strengths and weaknesses) and its external situation (opportunities and threats). A good fit maximizes a firm’s strengths and opportunities and minimizes its weaknesses and threats. Accurately applied, this simple assumption has powerful implications for the design of a successful strategy.”

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Baker Hughes is a supplier of wellbore related products and technology services and systems to the oil and natural gas industry. The company primarily operates in the US, the UK, Canada, Norway, Saudi Arabia, Russia, and Brazil. It is headquartered in Houston, Texas and employs about 36,000 people.

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Strengths, Weaknesses, Opportunities and Threats (SWOT)

Location of Factor	TYPE OF FACTOR	
	Favorable	Unfavorable
Internal	Strengths <ul style="list-style-type: none">➤ Steady financial performance➤ Strong R&D capability➤ Wide product portfolio➤ Wide geographical presence	Weaknesses <ul style="list-style-type: none">➤ Lack of scale➤ Settlement with DOJ and SEC
External	Opportunities <ul style="list-style-type: none">➤ Growth in global oil and gas drilling➤ Acquisitions➤ Energy services in China	Threats <ul style="list-style-type: none">➤ Intense competition➤ Risks associated with conducting business outside the US➤ Economic slowdown in the US

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