

El Paso Corporation

“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.”

El Paso Corporation

El Paso Corporation is an energy company primarily engaged in the transportation, gathering, processing, and marketing of natural gas. The company is one of the largest independent natural gas producers in North America. It also owns North America’s largest natural gas pipeline system. The company primarily operates in the US. It is headquartered in Houston, Texas and employs about 5,000 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"> ➤ Extensive pipeline network ➤ Strong natural gas and oil reserves ➤ Improving financial performance 	Weaknesses <ul style="list-style-type: none"> ➤ Contract renewals ➤ Lack of presence in the electricity sector in the US ➤ Geographic concentration
External	Opportunities <ul style="list-style-type: none"> ➤ Investment by Tennessee Gas Pipeline Company ➤ Expansion of pipeline systems ➤ Increasing crude oil prices 	Threats <ul style="list-style-type: none"> ➤ Intense competition ➤ Operational hazards and uninsured risks ➤ Environmental regulations

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