

SAP AG – October 2013

“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.”

SAP AG

SAP AG (SAP or "the company") is engaged in selling licenses for enterprise application software products, solutions, and cloud subscriptions. In addition, the company also offers consulting, development, training, and other services for its software solutions. SAP operates in the Americas, Europe and Asia Pacific. It is headquartered in Walldorf, Germany and employed 64,422 people in FY2012.

SAP AG – October 2013

Strengths, Weaknesses, Opportunities and Threats (SWOT)

Location of Factor	TYPE OF FACTOR	
	Favorable	Unfavorable
Internal	Strengths <ul style="list-style-type: none">➤ Leading market position➤ Diversified end markets and geographic reach	Weaknesses <ul style="list-style-type: none">➤ Lack of scale and product diversification
External	Opportunities <ul style="list-style-type: none">➤ Increasing adoption of cloud computing➤ Increased focus on enterprise mobility solutions	Threats <ul style="list-style-type: none">➤ Intense competition➤ Slowdown in the global economic conditions➤ Risk from exchange rate fluctuations