



ETOP Analysis

- ETOP analysis (environmental threat and opportunity profile) is the process by which organizations monitor their relevant environment to identify opportunities and threats affecting their business for the purpose of taking strategic decisions.
- **Why ETOP is needed ?**
- Helps organisation to identify opportunities and threats.
- To consolidate and strengthen organisations position.
- Provides the strategists of which sectors have a favorable impact on the organisation.
- Help organization know where it stands with respect to its environment.
- Helps in formulating appropriate strategy.
- Helps in formulating SWOT analysis.



ETOP Analysis

External Factor	Opportunities	Threats	Impact Level
Economic Factors	New market segments emerging	Recession reducing consumer spending	High
Technological Factors	Advancements in AI	Rapid tech obsolescence	Medium
Political Factors	Deregulation	Unstable foreign policies	Medium
Environmental Factors	Consumer shift to eco-friendly products	Rising raw material costs due to scarcity	High



TOWS

- The **TOWS Matrix**, developed by [Heinz Weihrich](#) in 1999, is a strategic planning tool that combines internal and external factors to generate [strategic options](#).
- This approach was then popularized by [Albert Humphrey](#), a consultant at the Stanford Research Institute. It stands for Threats, Opportunities, Weaknesses, and Strengths, forming a matrix that guides strategic analysis and decision-making.
- A TOWS matrix is a strategic planning tool that helps organizations identify areas for improvement and develop strategies to achieve their goals.
- The TOWS Matrix integrates internal strengths and weaknesses with external opportunities and threats to generate strategic options.