

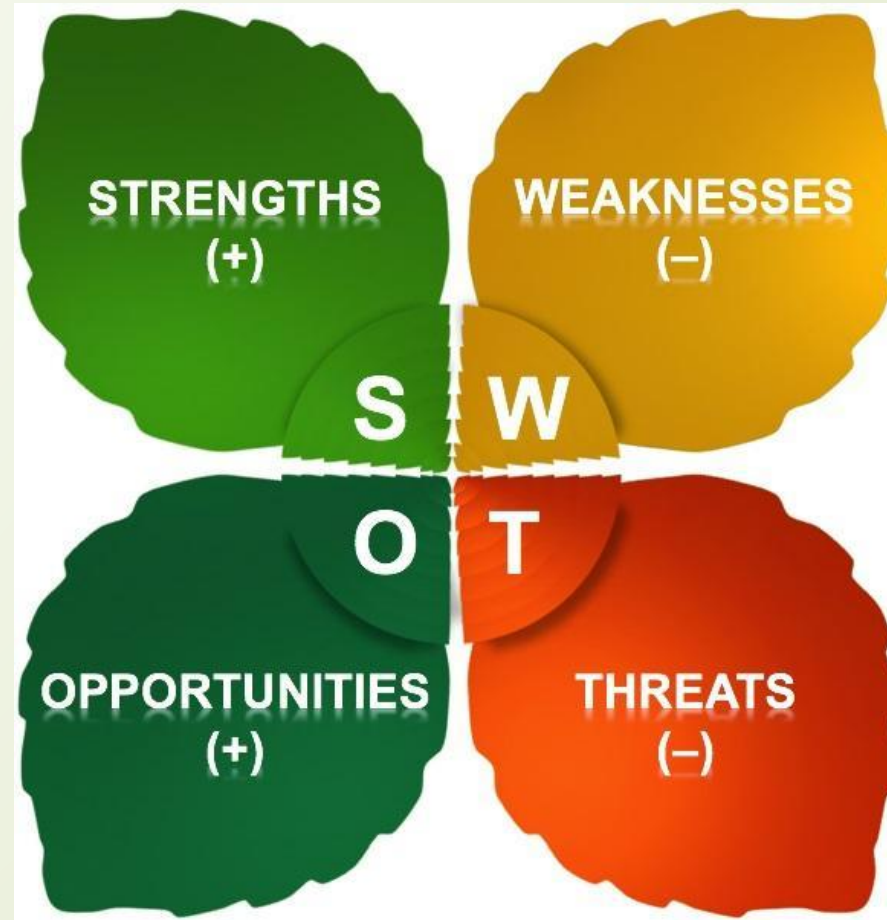


The SWOT Analysis: A practical tool for strategic planning

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What is SWOT?





Why use SWOT


- Fallacies of Investor Logic : Objective → Plan
 - I need Capital → I'm a Wholesaler
 - I want to fix and flip/rent → I'm a Contractor
 - I need high level reporting → I'm an Accountant

SWOT Process





Real World Example

- The SWOT Analysis of Tyler Weinrich of W Properties
 - Full time in 2015
 - Developed a successful wholesale system
 - Wants to expand his business
- 



Define the Strategic Objective!

“Expand My Business”



Identify the SWOTs

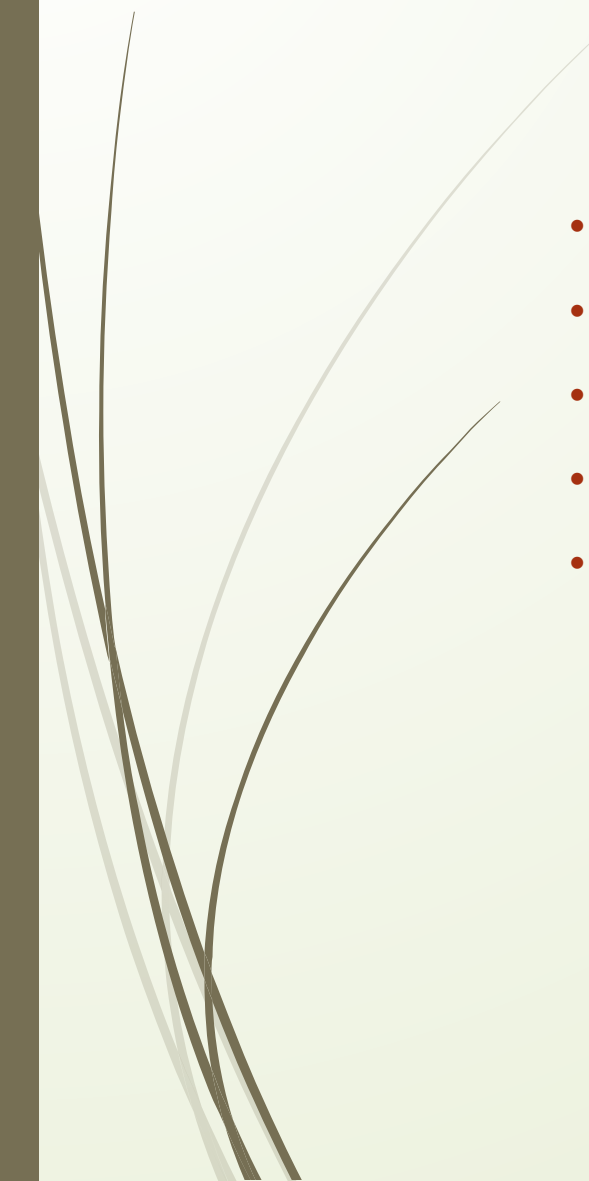


Tyler's Opportunities

- MLS Listing Referrals
 - Build Real Estate Portfolio
 - Acquisition/Inorganic Growth
 - New Wholesale Market
 - Brand Growth
- 

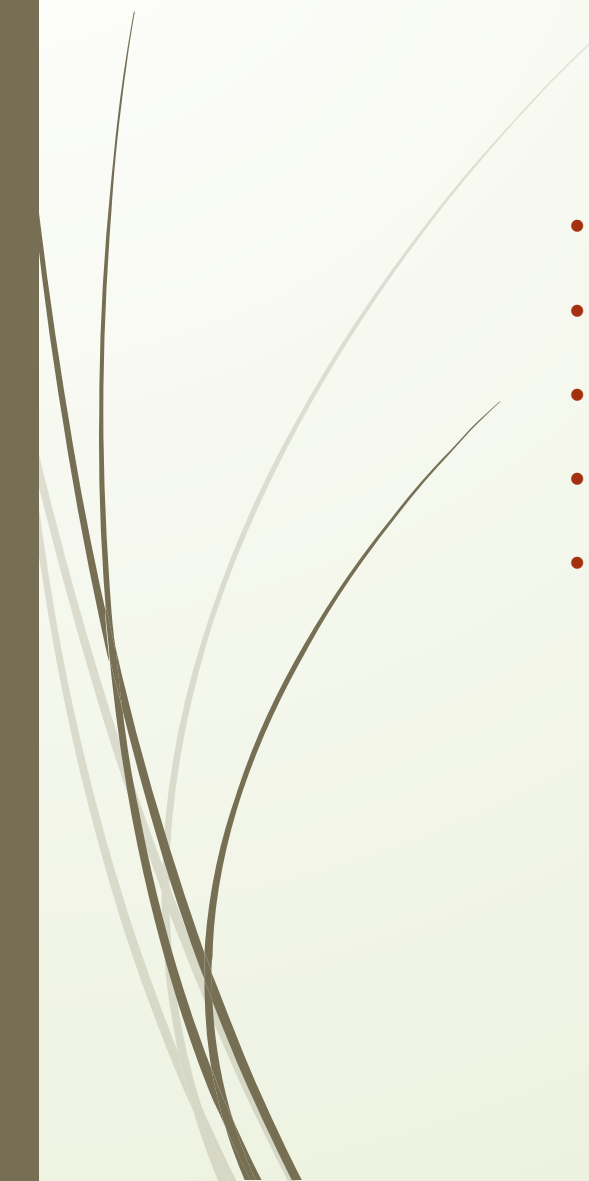


Tyler's Threats

- 
- Dilution of Resources
 - System Failure
 - Competition
 - Disruption of Marketing Channels
 - Bear Attack

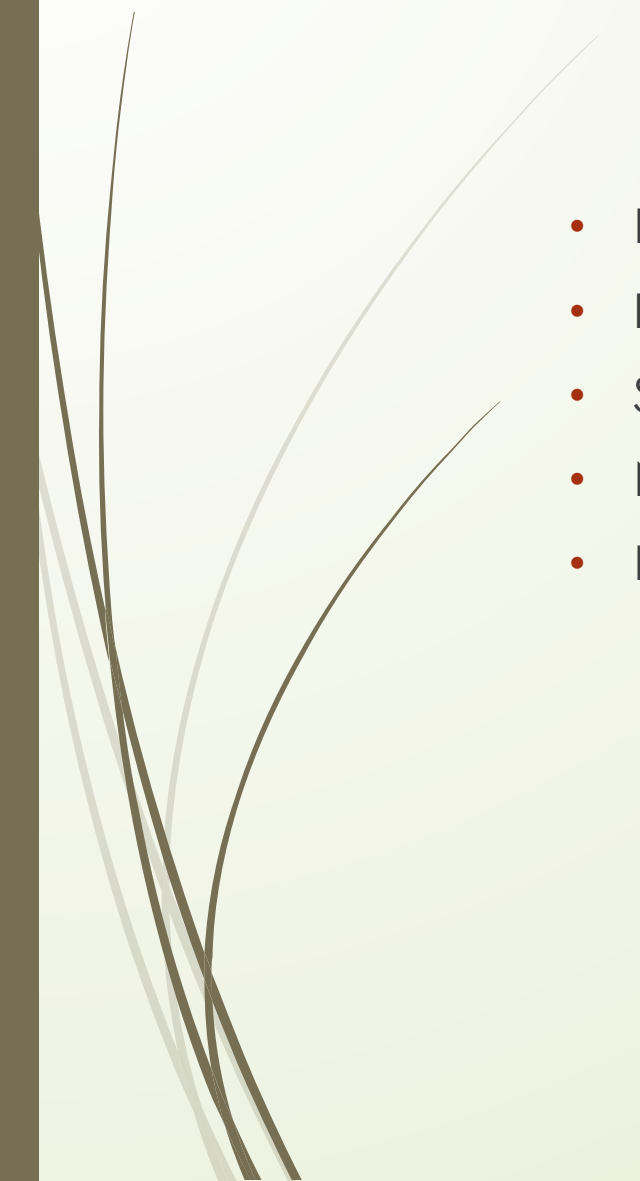


Tyler's Strengths

- Proven Wholesale System
 - Local Market Knowledge
 - Corporate Marketing Experience
 - IT Background
 - Well Regarded Amongst Peers
- 



Tyler's Weaknesses


- Limited Capital
 - Inelasticity of Process
 - Single Person Operation
 - No History of Expansion
 - Limited to Local Market Knowledge
- 



Running Your Analysis

•Answer 2 Questions•

- I. How can I utilize my Strengths and mitigate my Weaknesses to capitalize on my Opportunities

 - II. How can I utilize my Strengths and mitigate my Weaknesses to nullify my Threats
- 



Opportunity: Build a Real Estate Portfolio

Proven Wholesale System

- Strength Utilization

Create Property Profile and
Retain Wholesale Deals

- Tactical Plan



Use System to Acquire Property

- Analysis Conclusion

Real World Result: 3 Rentals, 1 Flip in less than 6 months



Opportunity: Build a Real Estate Portfolio

Well Regarded Amongst Peers
• Strength Utilization

Hire Project and Property
Managers, Accountant
• Tactical Plan



Assemble a Competent Team
• Analysis Conclusion

Real World Result: Acquiring and Renovating Properties, Managing Rentals and Bookkeeping without Changing his Day to Day Operations



Opportunity: Expand to New Wholesale Market

Proven Wholesale System

- Strength Utilization

Develop Plan to Use Existing System in New Market

- Tactical Plan



Leverage Existing System

- Analysis Conclusion

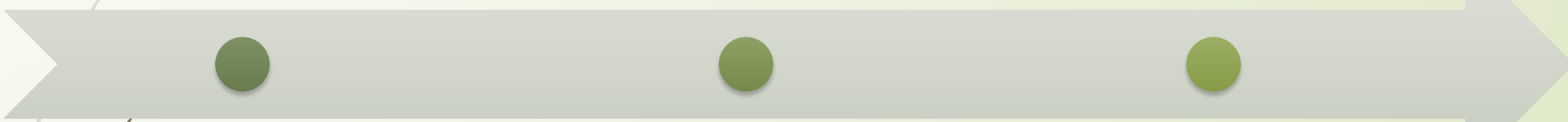
Real World Result: Currently Generating Deals in New Market



Opportunity: Expand to New Wholesale Market

Well Regarded Amongst Peers
• Strength Utilization

Use Network to Build
Support in New Market
• Tactical Plan



Leverage Peer Network
• Analysis Conclusion


Real World Result: Infrastructure for Lead Follow Up,
Capital Sources and Renovations is Established in New
Market



Opportunity: Build a Real Estate Portfolio

No History of Expansion
• Weakness Mitigation

Only Acquire Property Using
Current System
• Tactical Plan



Do not Deviate from Proven
System
• Analysis Conclusion

Real World Result: RE is Acquired by System , not MLS,
Auctions, etc



Opportunity: Build a Real Estate Portfolio

Single Person Operation

- Weakness Mitigation

Outsource Non System Work

- Tactical Plan



One Person Cannot
{effectively} Do Multiple Jobs

- Analysis Conclusion

Real World Result: Outsourced Renovations, Management
and Accounting



Opportunity:


Expand to New Wholesale Market

No History of Expansion

- Weakness Mitigation

Modify System to Support Expansion without Altering System

- Tactical Plan



Do not Deviate from Proven System

- Analysis Conclusion

Real World Result: Existing System has been Bifurcated, not Altered



Opportunity: Expand to New Wholesale Market

Single Person Operation

- Weakness Mitigation

Add People to the Operation

- Tactical Plan



One Person Cannot
{effectively} Do Multiple Jobs

- Analysis Conclusion

Real World Result: 1/2 of System Performed by "Boots on Ground" in the New Market



Chart Form: Threat Nullification

| | Dilution of Resources | Competition |
|-------------------------|--|--|
| Proven System | Leverage System's Efficiency | Use Systems to Minimize Competition |
| Well Regarded | Leverage Peers for Trusted Professional Services | Gather information from peers to Avoid Competitors |
| No Expansion History | Limit Resources used for Expansion | Research Market Data |
| Single Person Operation | Limit Resources Spent Outside System | Ally with Professionals in New Market Area |




Determine Tactical Plans



- To Build his Real Estate Portfolio, Tyler is doing the following
 - Retaining some of the properties he acquires via his wholesale process
 - Outsourcing key functions of this New Business to his Project Manager, Property Manager and Accountant




Determine Tactical Plans

- To Expand into a New Wholesale Market, Tyler is
 - Using a modified version of his existing Wholesale System
 - Leveraging his network to build a support infrastructure in the New Market without the need to travel
 - Using a profit sharing model to reduce overhead and expansion costs
- 



Determine Tactical Plans

- To Avoid Diluting his Resources, Tyler is doing the following
 - Not diverting too much of his time and capital away from his Core Business
 - Not Deviating from his Core System
 - Relying on the operational efficiencies of his Core System
- 



Determine Tactical Plans

- In Order to Understand and Actively Manage His Competition, Tyler is
 - Avoiding unnecessary Competition on the MLS, Auctions, etc by relying on his Core Business for acquisitions
 - Leveraging his network to gather intel on the Competition in his New Market
 - Allying with professionals in his New Market



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