

SWOT Analysis

*“Instead of worrying about the future,
let us labor to create it.”*

Hubert Humphrey

Presentation Adapted from:

“Strategic Planning for Public and nonprofit Organizations” by John M. Bryson.

“How to Conduct a SWOT Analysis” by Dr. E.J. Keeley

Prioritization

- Reduce generated list to top 5 ideas per category.
- How to prioritize?
- Strengths that are distinctive competencies
- Weaknesses that are debilitating
- Reducing threats and maximizing opportunities

Assessing the environment

- Purpose: understand internal and external contexts to develop effective strategies to link the two.
 - Internal Environment – **S**trengths and **W**eaknesses
 - External Environment – **O**pportunities and **T**hreats

Strengths

Strengths—internal to C&E, resources and capabilities that can be used as a basis for developing a competitive advantage (uniqueness). Strengths should be realistic and not modest.

Your list of strengths should be able to answer:

- What are C&E's advantages?
- What do we do well?
- What do other people see as C&E's strengths?
- What would you want to boast about to someone who knows nothing C&E and its work?

- Examples: good reputation among customers, resources, assets, people, experience, knowledge, data, capabilities
- Think in terms of: capabilities; competitive advantages (what's unique to C&E); resources, assets, people (experience, knowledge); marketing; processes/systems

Weaknesses

Weaknesses - internal forces that could serve as barriers to maintain or achieve a competitive advantage; a limitation, fault or defect of C&E. Weaknesses should be truthful so that they may be overcome as quickly as possible.

Your list of weaknesses should be able to answer:

- What can be improved?
- What is done poorly?
- What should be avoided?
- What are you doing as an organization that you feel could be done more effectively/efficiently?
- What is this organization NOT doing that you feel it should be doing?
- If you could change 1 thing that would help this department function more effectively, what would you change?

- Examples: gaps in capabilities, financial issues, morale, management
- Think in terms of: disadvantages; gaps in capabilities; lack of competitive strength; reputation; financial issues; timescales/deadlines; morale/leadership; process/systems

Opportunities

Opportunities -any favorable situation present now or in the future in the external environment.

Your list of opportunities should be able to answer:

- Where are the good opportunities facing C&E?
- What interesting trends are you aware of?
- Examples: unfulfilled “customer” need somewhere else, arrival of new technologies, global influences, new technologies, demographic shift.
- Think in terms of: competitor vulnerabilities; industry/lifestyle trends; geographical; partnerships

Threats

Threats—External force that could inhibit the maintenance or attainment of a competitive advantage; any unfavorable situation in the external environment that is potentially damaging now or in the future.

Your list of threats should be able to answer:

- What obstacles does C&E face?
- What is your competition doing?
- Are the required specifications for your job/services changing?
- Is changing technology threatening your position?
- Does C&E has budget problems?
- Could any of your weaknesses seriously threaten C&E?

- Examples: shifts in constituencies expectations, new regulations, political or legislative effects, environmental effects, new technology, loss of key staff, economic downturn, demographic shifts, “customer” demands; sustaining internal capability; insurmountable weaknesses.

Internal Environmental Assessments

- Forces and trends (PESTs)
 - political
 - Cyclical changes in administration
 - Steering vs. rowing. Current vision to move away from reliance on government institutions will lead to privatization and increase reliance/interaction on the nonprofit and for-profit sectors to do the actual “rowing”.
 - economic
 - Economy of the state, budget, limited public sector growth
 - social
 - Increased social and organizational complexity
 - Concern for quality of life likely to increase, citizen involvement, personal/corporate responsibility, diversity of the workforce, “customer” base, citizenry
 - technological
 - Globalization, technological advances
 - + the environment
 - challenges

External Environmental Assessments

- Stakeholders who control key resources (monitor important stakeholder groups)
- Forces and trends (PESTs)
 - political
 - Cyclical changes in administration
 - Steering vs. rowing. Current vision to move away from reliance on government institutions will lead to privatization and increase reliance/interaction on the nonprofit and for-profit sectors to do the actual “rowing”.
 - economic
 - Economy of the state, budget, limited public sector growth
 - social
 - Increased social and organizational complexity
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 - + the environment
 - Challenges

- Generate list of Strengths, Weaknesses, Opportunities,
- Threats
- Threats 3. 3. Clarification of Clarification of SWOTs
- SWOTs 4. 4. Categorization into themes
- Categorization into themes 5. 5. Prioritization
- Prioritization 6. 6. Desired State & Implications to unit
- Desired State & Implications to unit 7. 7. Strategy Development
- Strategy Development 8. 8. Strategy Selection
- Strategy Selection 9. 9. Incorporation of strategies into Strategic Plan
- Incorporation of strategies into Strategic Plan 10. 10. Documentation