

## **Identifying Strengths**

The first step in conducting a SWOT analysis for a nonprofit is to find out where the strengths of the nonprofit lie. This involves determining the characteristics that places the particular nonprofit in a position of strength in relation to all the other nonprofits within the chosen niche and other areas of specialization.

One way to do this is to create a comparison chart that lists your competitors alongside your own organization to allow a comparison of the things you do to the things that they do. You should also list the characteristics that make each of the nonprofits a stronger organization on its own, as well as those traits that it can draw on to help it grow.

Some of the strengths of a nonprofit may include the fact that much of their work is done by volunteers, as well as the fact that most of the money and materials that nonprofits use for their operational costs and charity work come from donations.

## **Identifying Weakness**

The weaknesses identified through a *SWOT* analysis of a nonprofit organization should include all of the factors that put the organization in a position of weakness. Such weaknesses could include the fact that they are dependent on grants, contributions, and donations. This is something that nonprofit organizations are not totally in control of since they cannot force people to give them money. As such, the nonprofit organization is forced to depend on the goodwill of contributors and their own ability to effectively fundraise. If the organization is struggling to consistently raise adequate monies, it will have no reliable way of predicting how much it will receive in any business cycle. This is definitely a weakness because it makes it really hard to create a budget.

## **Identifying Opportunities**

Opportunities in a nonprofit *SWOT* analysis might include factors such as government incentives. Most nonprofits are eligible for all kinds of government grants, which they can apply toward the cost associated with fulfilling their mission. Apart from government grants, they may be also eligible for many types of tax deductions and exemptions. Additionally, there are numerous corporate and foundation giving programs that may be persuaded to support their programs and mission.

Other opportunities that may be capitalized upon include the organization's ability to organize fundraisers or raffle drawings to help them raise money. All of these types of funds can further free up capital for unfunded expenses required to perform their work.

## **Identifying Threats**

Threats in a nonprofit *SWOT* analysis should include all of those aspects that threaten the continued survival of the nonprofit. For most nonprofits, the main threat to their stability is a downturn in the economy which typically translates to a dwindling of charitable donations. Often, another threat is too much competition from too many nonprofit organizations working for the same purpose. This makes it harder for people to choose which nonprofit to donate to thus leading to the division of the funds into smaller chunks.

Other opportunities that may be capitalized upon include the ability to organize fundraisers to help them make money and the ability to organize other functions such as raffle drawings.

## Steps

Facilitate to gain consensus on the top three to five issues.

(Many issues are based on gut feeling or intuition, rather than on extensive external and internal assessments.

Issues that are too narrow do not warrant planning and issues that are too broad will bog you down.

Deal with issues that you can do something about.

Be careful not to ignore current major issues in the interest of pursuing more creative and forward-looking goals.

Many organizations have faltered because their planning focused too far down the road and they ended up falling over their feet.

For each issue, one at a time, identify goals that, when achieved, will address the issue.

It might require several goals for each issue.

If planners get stuck on identifying goals, then have them brainstorm what can be done (strategies) to address the issues, and don't think about specific goals for now.

Once strategies have been suggested, then suggest some specific milestones that will be recognized along the way of implementing the strategies -- can call them goals.

Don't worry about getting the perfect goals.

You can refine them as you actually work to implement them.

## **Internal factors**

The first two letters in the acronym, S (Strengths) and W (Weaknesses), refer to internal factors, which means the resources and experience readily available to you. Examples of areas typically considered include:

- Financial resources, such as funding, sources of income and investment opportunities
- Physical resources, such as your company's location, facilities and equipment
- Human resources, such as employees, volunteers and target audiences
- Access to natural resources, trademarks, patents and copyrights
- Current processes, such as employee programs, department hierarchies and software systems

Businesses should also consider "softer" elements such as company culture and image, operational efficiency and potential, and the role of key staff.

When listing strengths and weaknesses, individuals shouldn't try to sugarcoat or glaze over inherent weaknesses or strengths. Identifying factors both good and bad is important in creating a thorough SWOT analysis.

## **External factors**

External forces influence and affect every company, organization and individual. Whether these factors are connected directly or indirectly to an opportunity or threat, it is important to take note of and document each one. External factors typically reference things you or your company do not control, such as:

- Market trends, like new products and technology or shifts in audience needs
- Economic trends, such as local, national and international financial trends
- Funding, such as donations, legislature and other sources
- Demographics, such as a target audience's age, race, gender and culture
- Relationships with suppliers and partners
- Political, environmental and economic regulations

Here is a SWOT Analysis template with some examples filled in:

### Strengths

- Political support
- Funding available
- Market experience
- Strong leadership

### Weaknesses

- Project is very complex
- Likely to be costly
- May have environmental impact
- Staff resources are already stretched

### Opportunities

- Project may improve local economy
- Will improve safety
- Project will boost company's public image

### Threats

- Environmental constraints
- Time delays
- Opposition to change

The SWOT analysis is a simple, albeit comprehensive strategy for identifying not only the weaknesses and threats of a plan, but also the strengths and opportunities it makes possible. While an excellent brainstorming tool, the four-cornered analysis also prompts entities to examine and execute strategies in a more balanced way. However, it is not the only factor in developing a good business strategy.