



SWOT ANALYSIS

Guidelines for Conducting an Effective Assessment

Strategic planning is a process to provide an overall strategy to optimize an organization's mission and vision. Embedded within the strategic planning process, is an analysis of strengths and weaknesses and the projection of opportunities and threats—collectively termed a SWOT analysis. This analysis provides the perspective from which the organization can draw to identify those issues that are most critical to address in order to best fulfill its mission and vision.

The SWOT analysis essentially consists of two kinds of assessments:

- What is our current state?
- What will the future be like?

Both of these assessments are done within the context of the organization's mission and vision. The following are basic definitions and guidance for conducting a SWOT analysis.

Strengths and Weaknesses:

The essential question that is answered is how well we are currently equipped and capable of fulfilling our mission and vision. Specifically we are asking:

- What are our current strengths relative to the mission/vision?
- What are our current weaknesses relative to the mission/vision?

Typically organizations look at these strengths and weaknesses from a broad perspective including (but not limited to):

- Core competencies and capabilities
- Talent
- Financial resources and cash flow
- Intellectual resources
- Systems and processes
- Physical resources
- Alliances and partnerships
- Reputation

- Product pipeline
- Organizational culture
- Leadership

When a group conducts a strengths/weaknesses assessment, it allows for a dialogue to ensure that everyone has a shared understanding about how one another views the current state.

Opportunities and Threats:

Having clarified the current state, it is time to turn attention to projecting what the future will likely be relative to the organization's capacity to fulfill its mission and vision. Specifically what this assessment is looking for are those events and/or trends that can be reasonably anticipated that will either:

- Enable the organization to fulfill its mission/vision (OPPORTUNITIES)
- Hinder the organization from fulfilling its mission/vision (THREATS)

An opportunities/threats assessment is done with a wide-angle perspective, looking at all the relevant dimensions that may have a significant impact including changes in areas including (but not limited to):

- Technological advances
- Economics
- Social trends and behavior
- Demographics of client/target populations
- Politics (e.g., regulations, political priorities)
- Competitive landscape
- Professional trends
- Institutional changes (especially for those groups that are embedded in larger institutions)

It needs to be emphasized that this assessment is a projection of the events and trends that will likely impact on the organization—however, it is not the time to identify the different ways the organization might respond to these trends. One of the more common mis-perceptions is that the projection of “opportunities” involves identifying actions the organization might take which might be considered opportunities; these will be the focus at a later point in the process. It is important to stick to a discipline when conducting the “opportunities/threats” assessment that focuses on the context in which the organization is going to be performing, and not what the organization might do in response to this context.

This orientation to the future opportunities and threats ultimately makes this planning process strategic, because in the end the most successful organizations tend to be those

that have done a reasonable job of anticipating the future and positioning themselves within that context.

Informing a SWOT analysis:

A group that represents the key functions and perspectives within the organization typically conducts strategic planning. Often this group is seen as the primary repository of the information needed to conduct the assessment. However in some cases organizations choose to augment this with other forms of information; there are three primary sources of this kind of information:

1. Hard data

This is usually quantitative information that may be either readily available or able to be assembled. Typical examples are:

- Organizational performance outcome measures
- Organizational culture survey results
- Employee turnover data
- Financial reports

While much of this kind of data may be internally-based, there may be relevant data about things like industry performance and projections of trends.

2. Soft data

Other times organizations are interested in the perceptions of key individuals, groups, or other stakeholders; this may include employees, clients, partners, or others. Typically this kind of information is gathered through town halls, surveys, focus groups, or interviews.

(It should also be noted that some organizations choose to gather this kind of soft data in order to encourage greater buy-in and alignment with the planning process through the engagement of the larger stakeholder community in the conduct of this SWOT analysis.)

3. Benchmarking data

Some organizations are interested in knowing what other organizations are doing that are either similar or analogous to themselves (for example, a veterinary hospital might use a human hospital as an analog) to get ideas about how the organization compares to others, and to identify best practices against which the organization can measure itself.

While there may be more precise data available to inform a strengths/weaknesses assessment, the assessment of the future is inherently more speculative and therefore less amenable to exact measurement.

While not always essential to conducting a SWOT analysis, it is useful to consider whether there is substantial value in gathering additional data to better inform the SWOT analysis process.

Daniel Stone is a premier designer and facilitator of strategic planning processes and other activities to help organizations achieve outstanding results. I have over 35 years experience in designing and leading strategic planning efforts for groups that range in size from 5 or 10 up to several hundred at a time. Where helpful, I use various forms of technology such as groupware and keypad voting systems to ensure a highly efficient, dynamic, and ultimately effective process for engaging the expertise and commitment of the participants. To find out more or to explore your organization's specific needs, contact djs@danielstone.com or call 301-928-9769. Also there is specific information at www.danielstone.com.