

SWOT ANALYSIS

A GUIDE FOR NONPROFIT ORGANIZATIONS



Successful planning for both long-term and project-level requires that we take into honest account the reality in which our organization operates, including our internal state and external environment. SWOT helps us analyze both and adjust our operations if needed.



WHAT IS SWOT?

SWOT is an acronym: **S**trengths, **W**eaknesses, **O**pportunities, **T**hreats. We examine our organization from these four aspects.



WHEN?

Our organization-wide SWOT analysis should be done **regularly** and be reviewed and modified every six months or once a year. We should also prepare one when our organization is starting a special project, strategic planning, or organizational development process.



WITH WHOM?

SWOT is created primarily with the involvement of the individuals who lead the organization and/or make strategic decisions. If we have the opportunity, it can also be useful to **include contributors as widely as possible** and involve the organization's employees, board members, volunteers, and even constituents.

By inviting various stakeholders to contribute to a SWOT analysis, our organization can create a common language. The opportunity to think about the organization together on a broad scale helps us avoid some internal tensions and prevent different directions from developing on the most important issues.

KEEP IN MIND WHEN COMPLETING SWOT ANALYSIS

- ▶ Strengths and weaknesses refer to the **internal** capacity, operations, and dynamics of the organization.
- ▶ Opportunities and threats come from the **external** environment.
- ▶ We should not record feelings or intuitions. We should try to support every example with **facts and figures**.

- ▶ We should be as **specific** and clear as possible.
- ▶ It is essential that we are **honest** when preparing a SWOT analysis.

SWOT ANALYSIS EXAMPLE

STRENGTHS	WEAKNESSES	
• Our professional, financial, and human resource capacities • Efficient operating methods • Our knowledge • Our skills • Our professional experience • Positive attitudes and dynamics in the organization Example • <i>Strong professional knowledge in X area</i> • <i>Commitment</i> • <i>Growing membership</i>	• Professional, financial, and HR capacity gaps • Inefficient operating methods • Knowledge gaps • Skill gaps • Insufficient or incomplete professional experience • Negative attitudes and dynamics in the organization Example • <i>Lack of resource development capacity</i> • <i>Lack of management knowledge</i> • <i>Diverging goals within the membership, disunity</i>	INTERNAL
OPPORTUNITIES	RISKS	
• Positive development trends in the political, economic, and social environment • Positive aspects related to the organization's awareness and recognition • Positive attitudes related to our target audience • Forward-looking trends, developments, opportunities in the community or professional environment in which our organization operates • Opportunities for partnership or cooperation with other organizations Example • <i>Political regulation</i> • <i>Business actors' openness to corporate social responsibility</i> • <i>Media interest in our XY project</i> • <i>Opportunity for cooperation with XY organization regarding our Z activity</i>	• Negative developments and trends in the political, economic, and social environment • Negative attitudes towards our target audience • Negative trends, risks in the community or professional environment in which our organization operates • Negative developments, risks related to organizations working in a similar field Example • <i>Hostile sentiment towards nonprofits</i> • <i>Our previous regular supporter withdraws</i> • <i>Part of our target audience prefers to turn to XY other organizations</i>	EXTERNAL



Once we complete our SWOT analysis, it is time to reflect on our findings, interpret the information together, and resolve any possible contradictions or discrepancies. The SWOT analysis is most valuable to our organization if we apply the final results in our ongoing planning processes.

When reflecting on the completed SWOT:

- Try to **respond** to weaknesses by building on strengths and opportunities.
- Try to **plan** for threats by building on strengths and opportunities.
- Convert the lessons of the SWOT analysis into a **concrete action plan**.

PESTEL ANALYSIS

The PESTEL analysis can also be used to facilitate the situational and environmental analysis of an organization. Alongside the SWOT analysis, PESTEL further enhances our understanding of the **wider environment** we work in. PESTEL is an acronym, in which the individual letters indicate the aspects of the analysis:

- ▶ **P**olitical
- ▶ **E**conomical
- ▶ **S**ocial
- ▶ **T**echnological
- ▶ **E**nvironmental
- ▶ **L**egal

When preparing each aspect of a PESTEL analysis, we should describe the external trends and events that are relevant to our organization. PESTEL helps us understand the external developments that are unfavourable to our organization, and those that are favourable and can be built upon. By providing an enhanced analysis of our organization's external environment, PESTEL can be a helpful aid for planning and creating action plans.

The PESTEL analysis, like the SWOT, is a tool from the business sector. We may have to **tailor** its use **to our nonprofit context**. If we consider certain aspects to be less relevant or significant, we should omit them or even supplement them with new aspects.