Do You Know Your Organization’s SWOT?

When you are planning your grants, are you thinking in terms of your SWOT? Grant planning is rife with questions that rely on this kind of thinking. What is SWOT?

SWOT is an acronym for Strengths, Weaknesses, Opportunities, and Threats. By definition, strengths (S) and weaknesses (W) are considered to be internal factors over which you have some measure of control. Likewise, by definition, opportunities (O) and threats (T) are considered to be external factors over which you have essentially no control.

If you’re not very familiar with this planning tool, an overview of the four factors (Strengths, Weaknesses, Opportunities and Threats) might help clarify what each term pertains to:

1. Strengths - Strengths are the qualities that enable us to accomplish our organization’s mission. Strengths can be either tangible or intangible.
2. Weaknesses - Weaknesses are the qualities that prevent us from accomplishing our mission and achieving our full potential.
3. Opportunities - Opportunities are presented by the environment within which our organization operates.
4. Threats - Threats arise when conditions in an external environment jeopardize the reliability and profitability of our organization’s business.

Conducting a SWOT analysis for a nonprofit simply requires us to apply the principles of this business planning strategy.

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.

Adapting to the Changing Environment

By way of an example, the United Ways around the country were forced to do this kind of analysis prior to and during the United Way of America leadership scandal in the nineties. One of United Way’s strengths was that it was a one stop shop to fund many agencies that served many needs in the community – your donation went further. A weakness was that people saw the United Way as a bureaucracy and one of many branches of the United Way of America which had been poisoned by the scandal. A threat was that the scandal created the wrong impression about the local United Ways who were not branches but were stand alone organizations. The opportunity was the chance to go to the community and educate them about the differences and make sure that they were separated from the scandal. It gave United Ways unprecedented access to workplaces since people wanted to lambaste them. This experience helped them to create a differentiation strategy and was a key to their primary role in creating the outcomes measurement system so widely used today.

Getting Started

If you have not performed a SWOT analysis before, you should consider doing so. Every organization needs to routinely evaluate its position in its community and the broader nonprofit world. I suggest the following resources to help you get started:

- [http://managementhelp.org/strategicplanning/index.htm#anchor37202](http://managementhelp.org/strategicplanning/index.htm#anchor37202)