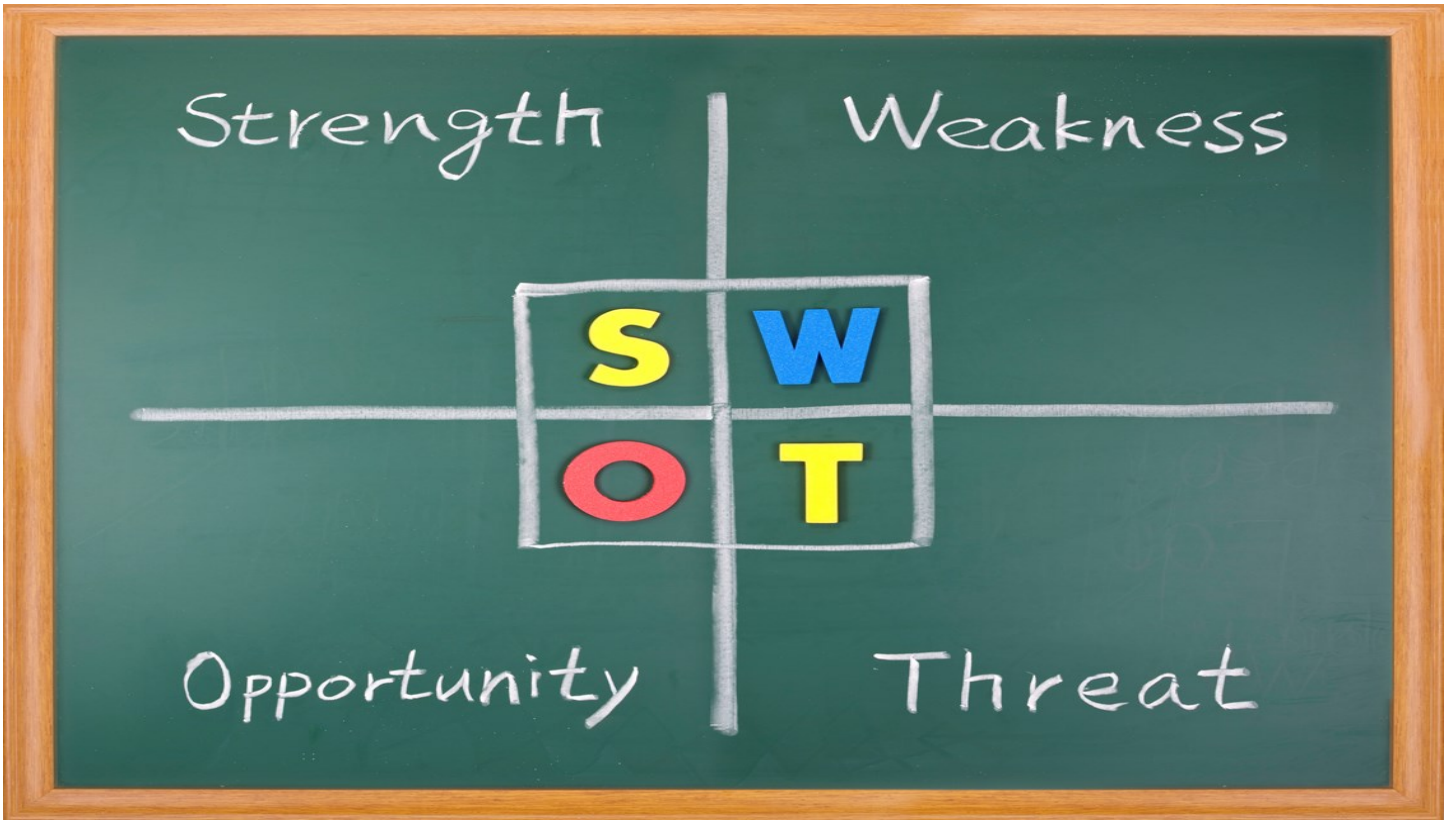
Huamin Research Center, School of Social Work, Rutgers University
China Philanthropy Research Institute, Beijing Normal University
Huamin Philanthropy Brochure Series – 2
September 2012

SWOT Analysis

Raising Capacity of Your Organization



Ronald Quincy, Shuang Lu,
and Chien-Chung Huang

华民慈善基金会
HUAMIN CHARITY FOUNDATION
RUTGERS
School of Social Work
中国公益研究院
China Philanthropy Research Institute

WHAT is SWOT ?

- **SWOT** is a strategic planning method used to evaluate the **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats involved in a project, organization, or in a business venture.

- **S**trengths are aspects or characteristics of the business, or project teams that give it an advantage over others;

- **W**eaknesses are aspects or characteristics that place the organization at a disadvantage relative to others**;**

- **O**pportunities are internal and external prospects that can improve organization's performance within the context;

- **T**hreats are internal and external influencing factors in the environment that could cause trouble for the function or project.

- SWOT focuses on **internal** and **external** factors.
    - Internal factors may include: *Personnel, finance, fundraising capabilities, and board performance*, etc.
    - External factors may include: *Economic climate, technological changes, legislation, social culture changes, competitors*, etc.

- SWOT can be used in business corporations, governmental departments, and nonprofit organizations.

- SWOT can be performed for business planning, strategic planning, competitor evaluation, marketing development, and research reports.

WHY Conduct SWOT ?

SWOT analysis…

- Helps you focus on your strengths, minimize weaknesses and threats, take the greatest possible advantage of opportunities, and become outstanding in competitions.
- Helps you determine whether the objective is attainable; therefore, set achievable goals and objectives for the organization, as well as subsequent steps.
- Helps you dedicate to your mission, fulfill the vision, adjust to social context, achieve strategic goals, develop effective action plans, and conduct objective evaluations.
- Helps you gather meaningful information from your strengths, weaknesses, opportunities, and threats), in order to maximize the benefits of your evaluation and advantage.

Understand Your Organization

Take the Greatest Opportunities Available to You

WHEN to Conduct a SWOT Analysis?

Typical Program Stages for Nonprofits

Stage One: Vision - Imagine and Inspire

Stage Two: Emergence - Found and Frame

Stage Three: Growth and Maturity - Grounding and Growth

Stage Four: Maturity and Sustainability - Produce and Sustain

Stage Five: Renewal - Review and Renew

A SWOT Analysis can be conducted in Any Stage!

During the life cycle, a SWOT Analysis can be used to:

* Fulfill an organization's mission and vision
* Facilitate an organization's emergence and growth
* Improve sustainability
* Promote innovation and renewal

In every stage, a SWOT helps us answer different questions:

* Stage One: Can this dream be realized?
* Stage Two: How are we going to pull this off?
* Stage Three: How can we build this to be viable?
* Stage Four: How can we sustain the momentum?
* Stage Five: What do we need to redesign?

Conduct a SWOT Analysis

Specific Areas of Analysis

What are Your Strengths?

- What advantages does your organization have?
- What do you do better than others?
- What unique or lowest-cost resources can you draw upon that others cannot?
- What is your organization's unique selling proposition?
- What do people in your market see as your strengths?
- What factors mean that you "get the sale"?

What are your Weaknesses?

- What could you improve?
- What should you avoid?
- What factors limit your growth?
- What are people in your market likely to see as your weaknesses (challenges)?
- What factors may cause you to lose your sale?

What are your Opportunities?

- What good opportunities can you spot?
- What interesting trends are you aware of?
- Who can be your partner?
- Who can be your potential donor?
- How to keep and develop your key stakeholders' interests?

What are Your Threats?

- What obstacles are you facing?
- Are quality standards or specifications for your job, products or services changing?
- Is changing technology challenging your position?
- Are changing policies or social context challenging your service area?
- Do you have bad debt or cash-flow problems?
- Could any of your weaknesses (challenges) seriously affect your business?
- What are your competitors doing?

Sample Analysis

"X Organization"

As a nationally famous nonprofit organization, "X Organization" works to provide books for poor children in the US and developing countries. "X Organization" has been existing for more than 50 years at a town in western America. It collects new books provided by book suppliers, and secondhand books donated by public, and delivers books to poor children in the US and oversea. "X Organization" accepts national and international applications for these books through its website and mailing. The applicants may include schools, education agencies, families, or individuals. Its programs are funded by government grants, public and private donations. "X" operates primarily through volunteer efforts. It has a 14-member board of trustees, an 8-member advisory board, and 4 fulltime, paid staff, who are mostly female Caucasians.

1. Programs and Services

Strengths:	Weaknesses:
• Volunteering Programs • Reputation throughout the United States • Donations Made Nationally and Internationally • Advanced Online Application System	• Limited Funding • Long Waiting List • Increasing Costs for Book Suppliers • Some Programs are Not Well-known
Opportunities:	**Threats:**
• Professional Grant-Writer • Student Volunteers • International Book Donations • Partnering with New Book Suppliers	• Loss of Funding Support • Increase of Applications • Competitor Organizations

2. Staffing and Management

Strengths:	Weaknesses:
• Management Skills • Friendly Working Atmosphere • Efficient Staff • Committed Volunteers	• Insufficient Staff with Too Much Work • Staff Overworked
Opportunities:	**Threats:**
• Recruit New Volunteers • Establish an Internship Program • Develop a Staff Succession Plan	• Staff Burnout • Loss of Staff and Volunteers

Sample Analysis

"X Organization"

3. Board Governance

Strengths:	Weaknesses:
• Supportive and Responsive Board Members • Diverse Board Members regarding to Age, Sex, Social Background, etc.	• Limited Involvement of Advisory Board Members • Board Members • Only from Local Area • Insufficient Fundraising Activities
Opportunities:	**Threats:**
• Recruit New Board Members • Develop an Effective Advisory Board • Promote Better Understanding of Board's Fundraising Responsibilities	• Commitment of Becoming a Board Member • Turnover of Key Members

4. Technology and Equipment

Strengths:	Weaknesses:
• Well Developed Website • IT Support • Control of Online Book Applicant and Supplier Database	• Outdated Computer and Phone Systems • Server Back-Up Issues
Opportunities:	**Threats:**
• Upgrade Hardware and Telephone Systems • Recruit Professional Website Maintainers	• High Expenditures • Hacking Possibilities • Server Crashing

Identify Every Element of Your Organization

Tick in cells:

- Will you consider your program, activities and services as strengths/ weaknesses/ opportunities/ threats?
- Do you see your programs, activities and services as both strengths and weaknesses?
- Are there any opportunities as well as threats in your programs, activities and services?
- Do you have any competitors (external threats) regarding to your programs, activities, and services?

	Strengths	Weaknesses	Opportunities	Internal Threats	External Threats
Programs, Activities and Services					
Education, Training and Workshops					
General Operation and Staffing					
Technology and Equipment					
Office Location, Facilities and Venue					
Marketing and Public Relations					
Executive Management					
Leadership and Governance					
Customer Base					

Conduct Your Own SWOT Analysis

Analyze Your Organization in Different Aspects

1. Programs and Services

Strengths:	**Weaknesses (Challenges):**
•	•
Opportunities:	**Threats (Barriers):**
•	•

2. Staffing and Management

Strengths:	**Weaknesses (Challenges):**
•	•
Opportunities:	**Threats (Barriers):**
•	•

Analyze Your Organization in Different Aspects

3. Board Governance

Strengths:	Weaknesses (Challenges):
•	•
Opportunities:	**Threats (Barriers):**
•	•

4. Technology and Equipment

Strengths:	Weaknesses (Challenges):
•	•
Opportunities:	**Threats (Barriers):**
•	•

Besides the aspects mentioned above, what other areas can you think of in terms of your own organization?

Final Thoughts

1. How can the organization maximize and take advantage of its strengths?

2. How can the organization minimize or overcome weaknesses?

3. How can the organization maximize or take advantage of opportunities?

4. How can the organization minimize or overcome threats?

Key References

Aaker, D. A. (1995). *Strategic market management* (4th ed.). New York: Wiley.

Armstrong, M. (2006). *A handbook of human resource management practice* (10th ed.). London: Kogan Page.

Chandler, A. D. (1962). *Strategy and structure: chapters in the history of the industrial enterprise*. Cambridge: M.I.T. Press.

Child, J., & Kieser, A. (1981). The development of organizations over time. *The handbook of organizational design*, *1*, 28-64

Donald, L., John, P., & Shawn, C. (2003). ORGANIZATIONAL LIFE CYCLE: A FIVE-STAGE EMPIRICAL SCALE. *International Journal of Organizational Analysis*, *11* (4), 339-354.

Hill, T. & R. Westbrook (1997). "SWOT Analysis: It's Time for a Product Recall". *Long Range Planning* **30** (1): 46–52.

Humphrey, Albert (2005). SWOT Analysis for Management Consulting. *SRI Alumni Newsletter*. Retrieved from SRI International.

Kimberly, J. R., & Miles, R. H. (1981). *The organizational life cycle*. San Francisco: Jossey-Bass Publ.

Object Oriented and Multi-Scale Image Analysis: Strengths, Weaknesses, Opportunities and Threats - A Review. *Journal of Computer Science* **4** (9): 706-712. Jan 2008.

Pickton, D., & Wright, S. (1998). What's SWOT in strategic analysis?. *Strategic Change*, *7* (2), 101-109.

Stacey, R. D. (1993). *Strategic management and organizational dynamics*. London: Pitman.

SWOT Analysis

Raising Capacity of Your Organization

Huamin Philanthropy Brochure Series - 2

Huamin Research Center, School of Social Work, Rutgers University
390 George Street, Room 503, New Brunswick, NJ, 08901, USA

China Philanthropy Research Institute, Beijing Normal University
19 Xin Jie Kou Wai Street, Room 1003A., Haidian District, Beijing, 100875, China

华民慈善基金会
HUAMIN CHARITY FOUNDATION

RUTGERS
School of Social Work

中国公益研究院
China Philanthropy Research Institute