

## User's Guide for SWOT Analysis

### What is SWOT?

SWOT is the acronym for **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats. It is an easy-to-use tool that has been around for quite some years. Different organisations use it in different ways. A Red Cross/Crescent version was developed when we started to produce tools for institutional analysis of a National Society.

### SWOT can be used, for example:

- | As an initial analysis of the situation of a National Society: to identify the main strengths and weaknesses of the organization, as well as the most important outside opportunities and threats emanating from its working environment;
- | To go into more depth concerning a specific activity or program. Example: refugee operation, first-aid training, health programs, youth, etc.
- | To analyze a problem area in more detail. Example: lack of money
- | For doing a quick analysis, or "reality check" before proceeding with a project or program - especially if the planned activity involves some risk and/or investment of time and money.

SWOT is very effective when applied to a specific objective or project. For example:

*We will recruit and train 200 first aid volunteers in the next 18 months,*

*or*

*We will double our income from commercial activities in two years.*

A SWOT analysis can reveal hidden obstacles to a planned project, especially when participants come from different departments or geographical areas in the same organization. In the same way, SWOT can identify positive elements that may not be readily evident. Used properly, SWOT can generate valuable data quickly and be an example of "strength in numbers".

## **How to conduct a SWOT analysis: role of the facilitator**

Two different ways of using this method are presented here. For both you need flip chart paper and markers. For the second you also need post-it stickers or cards (and some glue) in four different colors.

### **1. Example: Project analysis**

Divide a flip chart page into four sections like this:

<u>INTERNAL</u>	<u>EXTERNAL</u>
Strengths	Opportunities
Weaknesses	Threats

Ask participants to brainstorm the following question: "What are the internal strengths and weaknesses within our organization that could affect the objectives we seek to achieve?" Ask group members to write their answers in large letters, using 1-3 words only, in the appropriate space. Then ask participants to do the same with the question: "What are the external opportunities and threats outside our organization that could affect the objectives we seek to achieve?" Record the answers as before.

Depending on the size of the group, the facilitator might divide participants into four work groups, or two groups or only one. If working in a single group, a minimum of three and maximum of eight is optimal. If the facilitator chooses to have two work groups - one could deal with strengths and

weaknesses while another works on opportunities and threats. After an agreed upon time (20-30 minutes) each group's responses are explained to the other.

## **2. Example: Analysis of a National Society overall situation.**

Use flip chart paper to produce the four-field image as shown on the previous page. You may want to use masking tape to put the papers on a wall, in order to create more space.

Divide the participants into groups. Distribute to each group some white paper for taking notes and five post-it stickers or cards of four different colors, as well as marking pens. Colors could be defined, for example, as follows:

strength	=	green	opportunity	=	blue
weakness	=	yellow	threat	=	red

Ask the participants to work in three phases:

- { Individual work: Spend ten minutes in silence, identifying the main strengths and weaknesses of the organization, and the main opportunities and threats emanating from its working environment.
- { Group work: In group discussion compare notes and identify five most important strengths of the organization. Write down with a few words one strength on each green card. Proceed to identify five most important weaknesses, and write each weakness down on a yellow card. Then do the same with the opportunities and the threats, using cards of indicated color.
- { Place the post-it stickers or cards on the wall in the spaces allocated in the four-field flip chart. All groups will place their cards next to each other.

Variations can be created to this method, for example, by using the Characteristics of a Well-Functioning Society as the organizing principle for the work. In such case, the facilitator can ask one group to work on issues related to the Foundation (Mission, Legal Base, Constituency), another group to work on Capacity issues (Leadership, Human and Financial Resources, Organization) and another group on Performance issues (Activities, Relevance, Effectiveness).

To ensure a best possible result in an overall analysis it is important that the group is as representative as possible, including people from different levels and activities of the NS - headquarters and branches, staff and volunteers, men and women, young and old, newcomers and long-timers, and people from different program areas, such as relief, health, fundraising etc. In order to allow for difficult internal issues to be included, the facilitator should be a "neutral" person: an outsider, or a delegate for example. It is sometimes important to ensure confidentiality of the source of information. This can be done by using (anonymous) cards instead of oral interventions, or by talking in the name of a group instead of individually.

## **What do the results mean? How do we apply them?**

Using the outline below, the facilitator may guide the group in discussing and applying the results of a Project Analysis in several ways. Suggestions:

1. Conduct a "focused discussion". What do these results tell us? What decisions should we take? Are we ready to proceed? If yes, what needs to be done first? If no, what needs to be done before we can proceed?

Or:

2. Ask the group (or groups) to pretend they are a consulting firm hired by the National Society to advise on the best course of action based on these SWOT results. After studying the results and referring to suggested strategies (below), develop a list of recommendations for leadership of the National Society and present and defend. Or, develop a list of 3-5 things the National Society should do and 3-5 things the National Society not do. Present this to the National Society leadership.

### How to interpret and apply SWOT?

<b><i>Internal: What are the strengths and weaknesses within our organization that could affect the objectives we seek to achieve?</i></b>	<b><i>External: What are the opportunities and threats outside our organization that could affect the objectives we seek to achieve?</i></b>
<b>Strengths</b> 1. 2. 3. 4.	<b>Opportunities</b> 1. 2. 3. 4.
<b>Weaknesses</b> 1. 2. 3. 4.	<b>Threats</b> 1. 2. 3. 4.

### Possible Strategies:

If many **Strengths** and **Opportunities**, our strategy might include:

- { Expanding
- { Integrating
- { Intensifying
- { Acquiring

If many **Strengths** and **Threats**, our strategy might include:

- { Diversifying
- { Consolidating
- { Providing contingencies

If many **Weaknesses** and **Opportunities**, our strategy might include:

- { "Niching"
- { Networking or linking
- { Subcontracting
- { Anchoring

If many **Weaknesses** and **Threats**, our strategy might include:

- { Retrenching
- { Merging
- { Withdrawing

Used for an initial brainstorming concerning the overall situation of a National Society SWOT can produce large amounts of information, some of which can be contradictory. Not everything that comes out can be considered as "hard data", as it may reflect lack of knowledge, or it may be affected by emotions or personal experiences. However, such data can be quite valuable for identifying further areas of attention.

If SWOT is used as a starting point for an institutional development program, the results can help set ID-objectives and to define a time-frame. SWOT can also be applied to complement the "snapshot analysis" done by using CAPI (Customized Assessment and Performance Indicators) as a planning tool.