

How to Do a Strategic Nonprofit SWOT Analysis

(Includes Exercises and Templates)



Intro

How do you get a grip on your nonprofit's future? You can't just look at where you are now.

Status quo is today, not tomorrow. Sure, it's comfortable. But that doesn't mean it will stay that way. You can't sleep your way to success in today's digitally revolutionized, highly networked, connected and rapidly evolving world.

Change is a constant. If you don't anticipate change, and figure out how you'll adapt, it will be difficult, if not impossible, to remain comfortable. Because you may not have the skills and resources you'll need to survive and thrive in the future. And the future is not as far away as you think!

The present (what you're doing) is nothing more than a springboard to the future.

Shining a light on the future, and how you can shape it, requires looking at big picture strengths, weaknesses, opportunities and threats (SWOT) from many perspectives.



When was the last time you did a simple SWOT analysis?

The reason I love SWOT analyses is they're all about looking at the present to divine the future. And leaders need their crystal balls to identify trends, anticipate change and be open to possibilities that will enable them to work more effectively and have greater impact.

Let's face it. It's easy to stick with the status quo. Crystal ball gazing and divining is not so easy. SWOTs help leaders do this systematically and strategically. We've a lot invested in doing what we've always done. It takes courage and determination to ask the hard questions that break us out of old patterns and ruts. A structured approach can help.

SWOT is a terrific planning tool. Of course, there are other tools as well. You may have a favorite, and that's great. Do whatever works for you. The most important thing? Take a cue from Nike:

Just Do It!



What a SWOT Accomplishes

In a rapidly changing world, strengths and weaknesses change rapidly too. As do opportunities and threats. So it's important to take a look at where you are and where you're headed, based on discernable internal and external factors. Get a team together. Insiders and outsiders. Staff and volunteers. Folks at the top, middle and bottom.

A SWOT gets all stakeholders engaged in moving forward strategically. A good SWOT is not static. It's a multi-step process. It may even be a multi-unit process. For example, [preceding a board retreat](#), you might engage different departments or constituencies in a SWOT analysis for their particular area of expertise (e.g., programs, development, finance, board executive committee), and then bring the results all together to discuss as a larger group.



If you're not familiar with a SWOT (Strengths, Weaknesses, Opportunities, and Threats), this is what it is in a nutshell:

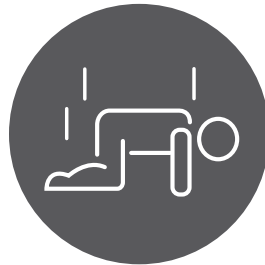
What a SWOT Accomplishes

Strengths



A tool for auditing an organization and its environment

Weaknesses



A first stage of planning; helps focus on key issues

Opportunities



A useful means for understanding and decision-making for all sorts of situations in business and organizations

Threats



A way to examine a business unit, a proposition or idea to enable proactive thinking rather than relying on habitual or instinctive reactions

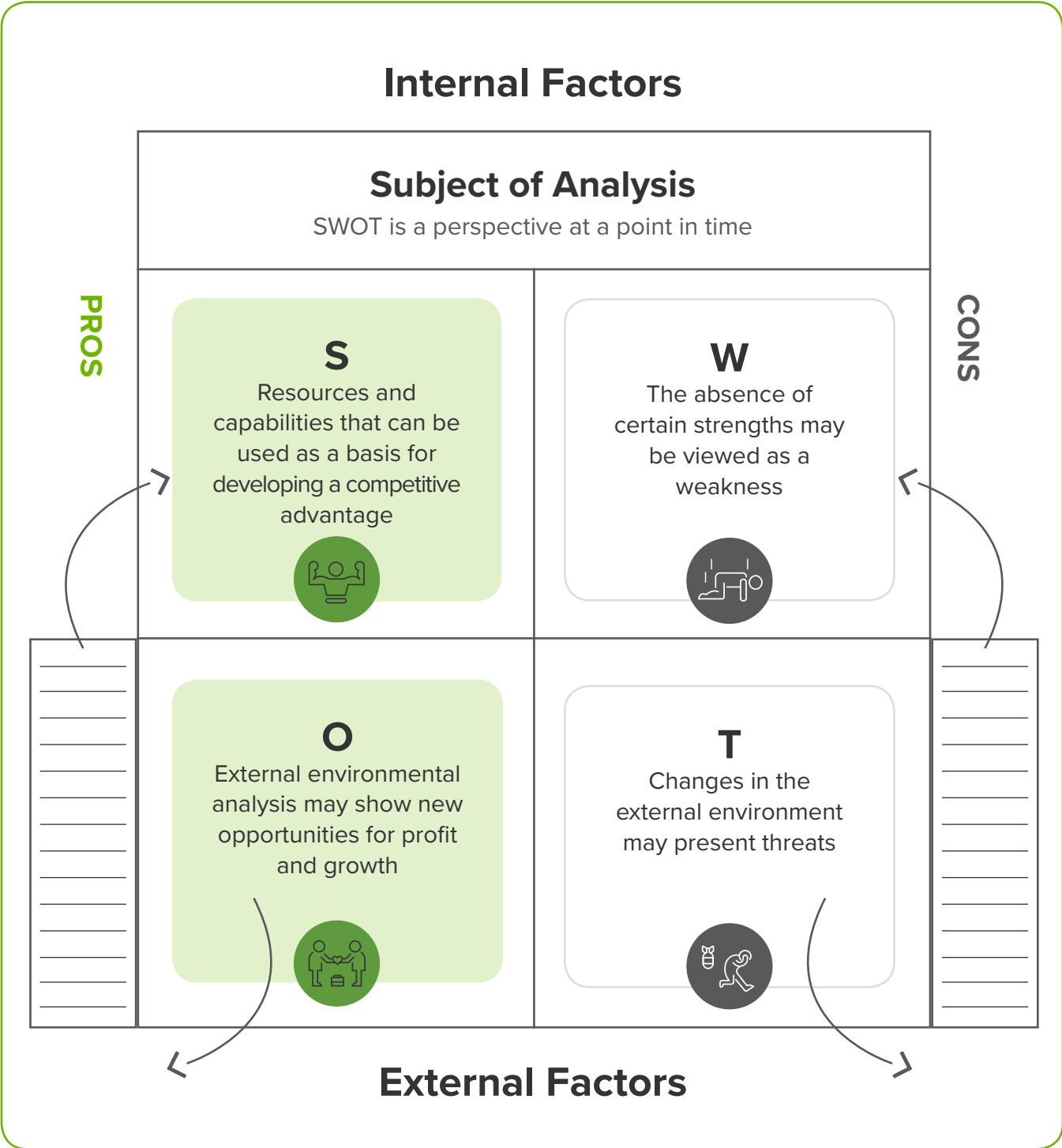
You can do a SWOT to assess anything.

Just keep it focused. Do a SWOT for your branding/marketing communications plan, fundraising plan, social media plan, board development strategy, volunteer program — any mission-driven subsidized service or any revenue-generating program. A good SWOT gives you a snapshot perspective of one thing (one “situation”) from the view of relevant stakeholders.

The process for a successful SWOT includes these key elements:

- **Identify key stakeholders** most likely to be able to identify key strengths, weaknesses, opportunities and threats in your area/unit of assessment.
- **Begin by assessing internal factors** (strengths and weaknesses) over which you have some control.
- **Move on to external factors** (opportunities and threats) which are more outside your ability to determine.
- **Use a trained, outside, neutral facilitator.** As tempting as it is to use an internal facilitator to save money, it’s penny-wise and pound-foolish. It doesn’t matter if your organization counts tons of trained facilitators among your ranks! SWOTs are subjective enough; you need a neutral party to help you see the forest for the trees and avoid your blind spots.
- **Brainstorm as many ideas as you can.** Try to surface key issues and identify patterns and trends. Group responses into categories so folks can wrap their brains around key issues.
- **Translate your SWOT into action** in the form of a written strategic plan. If too many ideas were surfaced, this may indicate a need to break your SWOT down into component parts (i.e., a different SWOT for a different department, program or service).

Simple Rules for Successful SWOT Analysis



Let's dig a little deeper in terms of implementation.

1. Take a look at the preceding matrix and begin by determining what you'll work on. Clearly identify the subject/division/situation/function you wish to analyze. In other words, are you evaluating your entire organization or simply one program or department? (e.g., see possibilities suggested below):

- A program, service or division of your organization
- An area of focus such as awareness-building, advocacy, volunteer recruitment and fundraising
- Support functions such as finance and administration to meet the needs of the organization and to comply with legal requirements
- Culture issues such as recruitment, training, and human resources
- Facility capacity to meet the needs of the community and the organization

2. Determine who your key stakeholders are, and invite them all to participate. Consider who cares a lot, has information to share and/or has expertise upon which you can draw. Make the most of your time by asking folks to do a little “homework” in advance that gets them thinking.

3. Be realistic and glaringly honest. Consider using an online survey participants can easily complete with the free version of [Survey Monkey](#) or [Google Docs](#). Tell folks to respond with brutal honesty. (The survey format provides needed cover to make sure sensitive issues get on the table.) Once you've gathered this feedback, it may be useful to share it with your facilitator so they can group answers and spot common threads, trends and outliers. The following list includes some general questions you might ask. (You can tweak them to pertain more specifically to your chosen area for analysis):

- *What do you like to brag about, or what are you most proud of, when you talk about your organization? (Strengths)*
- *If you could change anything about the way you serve your (clients/community), what would you change? Why? (Weaknesses)*
- *What operational investments (e.g. staff, technology, facilities, training) would significantly improve the impact you can have on your (clients/community)? (Weaknesses)*
- *What one thing would have the biggest impact? Why? (Weaknesses)*
- *Looking into the future, what worries you the most? (Threats)*
- *What are the three most critical issues facing your (clients/community) you need to respond to over the next few years? (Opportunities, Threats)*
- *Why are these issues important? (Opportunities, Threats)*
- *What makes you most hopeful? (Opportunities)*
- *If all your dreams could come true, what are your greatest dreams for your work? For you organization? (Opportunities)*
- *Who do you need to talk to? Who has information to share, who knows or cares a lot, who has perspectives you need to hear, etc.? (Surfaces whether additional folks should be invited to participate)*

4. Distinguish between where you are today and where you could be in the future. Today things are internal; tomorrow things are external. For example, it's not an internal 'strength' you're an environmental organization and people are increasingly concerned about climate change. That's an 'opportunity.' It's not an internal 'weakness' that signs point to government funding being cut for your programs. That's a 'threat.'

5. Be specific. Avoid gray areas. "People don't know we exist" is general. Which specific people don't know about you? Or is it that they know you exist, but don't know about a number of your key programs?

6. Evaluate *vis a vis* your competition. Are you in a better, or worse, position to do what you yearn to do? (i.e., achieve your mission, attract awareness, convert attention into support, etc.) Is there competition on the horizon you've not been considering?

7. Group answers together to keep SWOT short, simple and focused. This is something a trained facilitator can help you to accomplish. They will also make sure you don't overlook any key ideas or areas of concern.

8. List answers in relevant boxes on SWOT matrix. Keep in mind the SWOT asks, "What is good/bad about the present/future?" (See the following blank matrix and completed example).

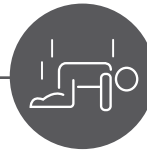
SWOT Matrix to Complete

At some point in time, and in relation to the competition, and only the topic under discussion (program or department area or committee/board focus), what are the:

Current Strengths



Current Weaknesses



Main Opportunities in the current landscape



Main Threats in the current landscape



Guidelines for Distinguishing S from W; O from T

Remember to stick to the topic under discussion. A SWOT analysis can be done for an organization as a whole, a committee, a department, a project or even a person.

And be specific, not general. Saying you have “great communications” will not help you get anywhere. What about your communications is great? What is not so great? Where might external threats jeopardize the way you communicate? Are there communication opportunities you might take greater advantage of?

- **Strengths:** What does your organization/team/you do well? What advantage do you have over others? What’s your secret sauce? What’s the root of this strength?
- **Weaknesses:** What are your shortcomings? Where do other organizations/people have an advantage over you? Why is this area a weakness? (When you dig deeper you may unearth other weaknesses and/or the real, underlying weakness that must be addressed.)
- **Opportunities:** What is changing in areas outside your control that might offer you potential for growth?
- **Threats:** What could cause problems for you in the environment outside the area of your SWOT focus? Or in the larger environment?

SWOT Matrix Example

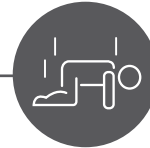
EXAMPLE: The XYZ Organization

Strengths



- Strong brand name
- Good reputation
- Cost advantages from proprietary know-how
- Favorable access to distribution networks
- Experience, knowledge, data
- Financial reserves
- Marketing reach, awareness
- Strong staff

Weaknesses



- Weak brand
- Poor reputation
- High cost structure
- Lack of access to key distribution channels
- Lack of experience, knowledge, data
- Financials
- Lack of presence and reach
- Staff turnover

Opportunities



- An unfulfilled customer need
- Arrival of new technologies
- Loosening of regulations
- Competitors' vulnerabilities
- Industry or lifestyle trends

Threats



- Shift in consumer tastes/needs
- Emergence of substitute products
- New regulations
- Competitor intentions
- Market demand

After the SWOT Analysis: Next Steps

Now what? The key to success is translating your SWOT into action. You need to turn this into an executable plan!

This takes discipline. Please, if you're not going to take this final step, don't bother with the whole thing. You'll just frustrate yourself and everyone else. How to do it?

Sort issues into program planning categories:

1. Product - What are we selling?
2. Process – How are we selling it?
3. Customer – Who are we selling it to?
4. Distribution – Where/how does it reach them?
5. Finance – What are the prices, costs and investments?
6. Administration – How do we manage all this?

Translate SWOT into actions, within the categories. For example, if it's a business, department, campaign, etc., and your aim is to improve it, then work on translating each of your SWOT into actions:

- S** Maintain, build or leverage ...
- W** Remedy or exit ...
- O** Prioritize or optimize ...
- T** Counter by ...

Here's a great matrix I've found very useful. You want to take a look at how you can use everything you've identified to help you leverage strengths and take advantage of opportunities, while minimizing weaknesses and defending against threats.

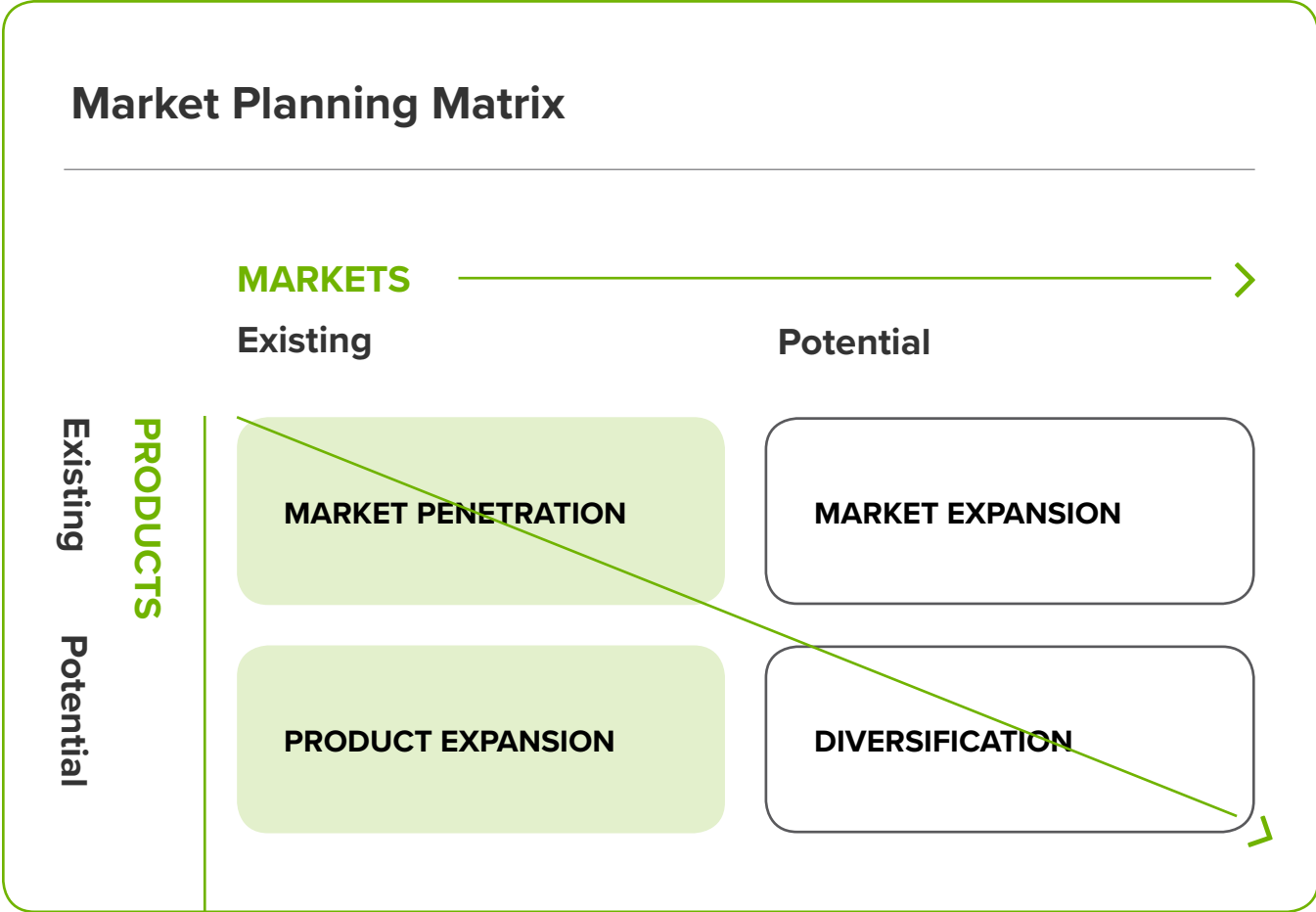
SWOT Matrix Example

	Strengths	Weaknesses
Opportunities	<p>S-O Strategies Pursue opportunities that are a good fit to strengths</p> <ol style="list-style-type: none">1. _____2. _____3. _____4. _____	<p>O-W Strategies Overcome weaknesses to pursue opportunities</p> <ol style="list-style-type: none">1. _____2. _____3. _____4. _____
Threats	<p>S-T Strategies Identify ways to use strengths to reduce vulnerability to external threats</p> <ol style="list-style-type: none">1. _____2. _____3. _____4. _____	<p>T-W Strategies Plan defensively to prevent weaknesses making you susceptible to external threats</p> <ol style="list-style-type: none">1. _____2. _____3. _____4. _____

REMEMBER: You're headed toward a written strategic plan with goals, measurable objectives and specific strategies designed to help you achieve your objectives and reach your goals. And the SWOT analysis is a common jumping off place.

Getting Practical

Those of you familiar with marketing planning may be interested to note how closely the SWOT matrix aligns with the traditional marketing matrix. They're not identical, but it's useful to take a look at how one might translate to the other for planning purposes.



The “Market Penetration” box parallels the “Strength-Opportunity” box. It’s generally the easiest, least resource-intensive thing to do. So it’s the most manageable. You’re starting with all positives. In marketing parlance, you take your existing products and promote them more robustly to your existing markets. In SWOT parlance, you take what you’re already really good at and pursue opportunities that enable you to take your strengths to the next level. For fundraising purposes, as an example, you might take a strong, successful email appeal and simply seize the opportunity to send it more frequently to your existing mailing lists.

The “Market Expansion” box parallels the “Opportunities-Weaknesses” box. It takes greater resources to expand your reach outside your current universe, but the fact you’re overlooking a potentially rich constituency is a weakness you have the opportunity to overcome. For fundraising purposes, you might send your appeal more broadly by expanding your in-house list or renting an outside list.

The “Product Expansion” box parallels the “Strengths-Threats” box. Again, it takes greater resources to build out a new product or strategy. But it’s a way to leverage the strength of those markets who already engage with you and make sure you’re not leaving money on the table by allowing a competitor to jump into your space and offer that product in your stead. One threat these days is just how saturated the digital marketplace has become, and how hard it is to capture attention. So, if you have some terrific video stories on your website, and not enough folks are seeing them, you might build a blog to share those stories more proactively with your current constituents.

The “Diversification” box parallels the “Threats-Weaknesses” box. This is the most resource-intensive strategy and the one you want to do the least of. Be aware that, for some reason, people tend to jump at this box first. A common iteration of diversification is putting on a new event for a new crowd (e.g., “Weakness: We don’t have many Millennial donors;” “Threat: “Boomers are getting older.” Solution: “Let’s put on a beer tasting!”) You can do it, but it will stress you. And it won’t help you reach your goals unless you also have [a specific plan in place to build relationships](#) with event attendees and convert them into loyal supporters. So evaluate the cost/benefit first, and make sure it’s something you can manage.



Troubleshooting

I added this section because there are common places SWOT analyses can go awry. It's largely due to the subjective nature of the process. (This is one reason bringing in a trained facilitator is hugely recommended).

Be on the lookout for these common typical challenges:

1. Weakness masquerading as strength. It's human nature to think everything we do is swell. So we'll list things like "our reputation" or "our terrific staff" or "our strong E.D." or "our board" as strengths. But ... are they really? I often let folks know that sometimes our greatest strengths can also be our greatest weaknesses.

- When you sit inside your organization, it's difficult to really assess your reputation outside your doors. You may know it's great with clients, but be unaware it's not so good with potential supporters. Or vice-versa.
- Your staff may be great at doing what needed to be done five years ago, but they may be ill-prepared to lead you forward in today's marketplace.
- Your strong E.D. may be good at building programs and/or managing staff, but they may be less good at forging a strong partnership with the board – and this may be holding you back, particularly with fundraising.
- Your board members may be nice and well-intentioned, but they may not have the skills, diversity, contacts and other resources you need to achieve your goals moving forward.



**A skilled facilitator can help tease out the specifics by asking questions like:
Why is that a strength?**

- *How do you know others perceive this as a strength?*
- *Would this be among the top three things you believe makes your organization/department/strategy successful?*
- *Do others agree, or would you list different strengths?*

2. Wrong players at the table. There's little point in doing a SWOT with people who all have the same perspective already. They'll preach to the choir and continue thinking everything is hunky-dory.

Also watch out for the SWOT where only executive management are invited and lower and middle managers and/or front-line employees are excluded. Or where a top manager will effectively suppress honest participation by subordinates. This is your opportunity to hear from everyone and take multiple viewpoints into account. Again, this is something with which a trained, neutral facilitator can help you.

3. Ignoring the elephant in the room. Every culture has its taboo subjects. It's a good idea, before you close off discussion, to ask the group if there are any elephants in the room that need addressing. It's essential you have a safe space for this to work – hence the need for a trained, objective facilitator.

Summary

A SWOT is going to be only as good as its leaders. This, of course, is one of the reasons I strongly suggest using a trained, outside, neutral facilitator. If the influence of one person (often the E.D., Founder or Board President) is getting in the way of an honest SWOT, then I'd suggest mini-SWOTs with smaller groups so that results can be compared.

A SWOT is going to be only as good as its participants. If a SWOT involves the most diverse set of viewpoints possible, and allows people to openly discuss their thoughts and inject current best practices and evidence-based solutions into the discussion, the SWOT will be useful. If the process excludes large segments of the organization from participating, the SWOT will not be useful.

A SWOT is going to be only as good as the brutal honesty and insight that goes into it. If the group is not honest, refuses to dig deep into understanding their internal processes, and doesn't honestly assess external factors, the SWOT is likely to be nothing more than a self-serving pat on the back that creates a false sense of security that will not serve the organization as it heads towards the future.

Ready to shine a light on the future do you can shape it proactively?

Take a SWOT at it!



About the author



Claire Axelrad, J.D., CFRE, is a fundraising visionary with 30 years of frontline development work helping organizations raise millions in support. Her award-winning blog showcases her practical approach, which earned her the AFP “Outstanding Fundraising Professional of the Year” award.

Claire, who teaches the CFRE course that certifies professional fundraisers, is a regular contributor to Guidestar, Nonprofit Pro, Network for Good and Maximize Social Business. Her passion is coaching nonprofits to address 21st century challenges and overcome barriers to sustainable funding.

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About Bloomerang



We believe in the value of life with a mission, and we applaud the choices nonprofit organizations make to improve the world.

We exist because they exist. We take great pleasure in creating tools and teaching principles that help passionate nonprofit organizations make smart decisions that are proven to help them reach out, grow and thrive.

Our Strategic Vision: to be the world’s best developer and deliverer of tools and perspectives that generate value for nonprofit donor relationships.

Our Core Purpose: to improve donor retention in the nonprofit world.

At [Bloomerang](#), we’re helping nonprofits become more successful at increasing revenue. Our user-friendly software is designed to help organizations naturally boost donor engagement, fundraising and retention through best practices and a user-friendly donor database interface.

Take a look at why [Bloomerang](#) has been rated “The Best Donor Management Software” based on user feedback. Explore a demo of our software here.

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