

# SWOT Analysis for NGOs

Only [NGOs](#) that perform well are likely to survive and grow in the long term. Organisations that fail to manage themselves appropriately, struggle to achieve their mission and find it difficult to create real change are likely to ultimately find themselves cast by the wayside in favor of more efficient ones. Therefore, the ability to be able to strategically evaluate your organisation's performance is crucial to its long term sustainability.

The SWOT analysis is a highly effective tool for understanding and decision making for all businesses including NGOs. SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats. The tool can be used for business planning, strategic planning, competitor evaluation, marketing, product development and more.

IFAD ([International Fund for Agricultural Development](#)) describes this option as 'useful when qualitatively assessing, for example, the services provided by the project, relationships between project stakeholders and the organisations of the implementing partners, local groups and the project team itself' (*IFAD Options for Monitoring and Evaluation, Annex D, page D 21*).

The SWOT analysis template is normally presented as a grid, comprising four sections, one for each of the SWOT headings: Strengths, Weaknesses, Opportunities, and Threats. An example SWOT chart including some example information from an NGO is displayed below:

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>▪ High Demand for Services</li> <li>▪ One major donor</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>▪ Lack of community awareness</li> <li>▪ Under developed board of trustees</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>▪ Public service contracts soon to be put out to tender</li> <li>▪ Developing links with the business community</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>▪ Other more established NGOs complete similar work</li> <li>▪ Limited financial reserves</li> </ul>

Strengths and Weaknesses describe 'where the project or organisation is now: the existing resources that can be used immediately and current problems that won't go away. It can help identify where new resources, skills or allies will be needed'. Both refer to 'technical, financial, promotional, networking, knowledge' or competency based factors internal to the programme. 'When thinking of strengths it is useful to think of real examples of success to ground and clarify the conversation'.

Strengths are 'those things that are working well in a project or situation. The aspects people are proud to talk about' and which differentiate the program from others. Weaknesses are 'those things that have not worked well' or that the program is less efficient in than others.

Opportunities and Threats describe 'what is going on outside the organisation, or areas which are not yet affecting the strategy but could do'. Opportunities include 'ideas on how to overcome weaknesses and build on strengths' within the [environment](#) the program operates in. Threats are 'things that constrain or threaten the range of opportunities for change' in the programme

environment. These external aspects are often related to 'sociological, political, demographic, economic, trade-specific' and environmental factors.

### **Strengths**

This portion of the chart provides the opportunity to list everything that is good about your NGO. As well as the two example strengths listed above, other common strengths in NGOs are volunteer manpower which supplies organisation's with substantial amount of free labour and huge savings on staff costs. NGOs in many countries are eligible for tax discounts which could be listed as another strength of your organisation. You should include any assets that your organisation benefits from in your strengths quadrant of your SWOT analysis.

### **Weaknesses**

The weakness section enables you to list all of the deficiencies of your organisation. Everything that causes you a problem in the management of your NGO should be included here. The most common problem for most NGOs, especially ones in their first years, is the lack of financial stability in terms of income, expenditure and reserve levels. Weaknesses normally focus on internal issues that you can work to resolve but can also include outside weaknesses beyond your control such as a lack of institutional funders working in your region or country.

### **Opportunities**

These factors tend to focus on outside opportunities such as new grant availability and the development of local business relations but can just as well be used to evaluate internal opportunities including staff that are quickly developing and the contacts of a board of trustees member. You should try to look towards emerging developments around your NGO that may provide new options in the near future as well as opportunities that are immediately available to your organisation. Many people include potential opportunities that may not be available currently or may never actually come to fruition but it is important to list them so that your NGO is suitably prepared if they do.

### **Threats**

NGOs and other similar non-profit organisations are particularly vulnerable to financial threats and shocks. This is because non-profit organisation's often have less secure income streams combined with often just a few months of financial reserves result in NGOs that can be perilously prone to major economic shifts. Changes in priorities from a major grant provider or local authority could mean an NGO is suddenly without its major revenue stream with no backup plan. These are the type of threats that you should use in your threats quadrant, essentially anything that could happen that could jeopardise the success of your NGO.

Once you have completed your SWOT analysis you will be far better able to produce a strategic plan that incorporates all of the listed elements and provides a guide for future growth and expansion. Check back with us later in the week for a guide on how to produce a strategic plan for your organisation.

Have you used SWOT analysis in your organisation?