

Tool 10: SWOT analysis

Phase	Phase 1: Getting organised and initial set-up
Sub-phase	Sub-phase 1.6: SWOT analysis
Name of tool	SWOT Analysis (Analysis of Strengths, Weaknesses, Opportunities and Threats)
Objective	A SWOT analysis helps examine the internal strengths and weaknesses and the external opportunities for—and threats to—the implementation and improvement of a plan.
When to use the tool	Use the SWOT Analysis: <ul style="list-style-type: none"> ✓ As a precursor to a new strategic plan. ✓ To anticipate, address and (as needed) mitigate or stimulate critical internal and external factors that can have an impact on a strategic plan.
Main actor(s) responsible	All levels of government; civil society; and business organizations
Target / beneficiary	The organization carrying out the analysis itself
Description of tool	<p>A SWOT analysis typically involves four key steps.</p> <p><u>Step 1</u> involves the collection and evaluation of key data that could impact strategic planning. These include internal (institutional) factors as well as external factors, including political, economic, social, technological, legal and environmental issues. Once these key data have been collected and analyzed, the capabilities of the organization or city to manage these factors are assessed.</p> <p><u>Step 2</u> involves sorting the data into four categories: strengths, weaknesses, opportunities, and threats. Strengths and weaknesses relate to <i>internal</i> issues within the organization or city. Opportunities and threats arise from <i>external</i> factors outside of the organization or city that cannot be directly controlled. Whereas strengths and opportunities are likely to be helpful in achieving the objectives of a plan, project or proposal, weaknesses and threats are likely to be harmful in meeting these objectives.</p> <p><u>Step 3</u> involves the development of a SWOT matrix for each plan or each project under consideration (see diagramme for an example of a matrix). A SWOT analysis can be applied to a particular plan, to anticipate and mitigate key issues that may arise. Or, a SWOT analysis can be used to help decision-makers evaluate several alternative proposals or courses of action. In this case, a different SWOT matrix should be produced for each</p>

	<p>proposal or alternative. The matrix with the highest number of strengths and opportunities and the lowest number of weaknesses and threats emerges as the best proposal.</p> <p><u>Step 4</u> involves incorporating the SWOT analysis into the decision-making process.</p> <p>One of the challenges of a SWOT analysis is to decide which factors belong in which of the four categories. The following are standard definitions of the two internal and two external factors.</p> <p>A <u>strength</u> is a factor that comes from within an organization or city and contributes to good performance.</p> <p>A <u>weakness</u> is also a factor that comes from within an organization or city, but which is responsible for poor performance or sub-optimal performance.</p> <p>An <u>opportunity</u> is a potentially positive development that arises from changes in the external environment.</p> <p>A <u>threat</u> also emerges from the external environment, but in this case it is likely to have a negative impact on the city, organization, proposal or plan.</p>
<p>Advantages and disadvantages of this tool</p>	<p>Advantages (+)</p> <ul style="list-style-type: none"> + Flexible and versatile framework to analyze a wide range of complex realities and situations. + A SWOT framework is simple and easy to comprehend and apply by all stakeholders in strategic planning, including community stakeholders. <p>Disadvantages (—)</p> <ul style="list-style-type: none"> — Can lead to over-simplification of complex realities, if the analysis is not done well or good data is not available. — Decisions about how to categorize different factors and trends (as external or internal, or even as positive or negative) can be highly subjective and depend on one actor’s perspective at any given time.
<p>Related tools</p>	<p>Similar tools include:</p> <ul style="list-style-type: none"> ▪ PESTLE or PESTEL analysis
<p>References and further resources</p>	<p><u>Generally accessible documents:</u></p> <p>Harrison, Jeffrey P. (2010) Strategic planning and SWOT analysis, In: Harrison, Jeffrey P., Essentials of strategic planning in healthcare. Chicago, Health Administration Press, pp. 91-97.</p> <p>Newton, Paul and Newton, Helen, (2013) SWOT analysis : strategy skills, s. l., Free Management Ebooks (FME).</p>