

# Strategic planning analysis tools

## SWOT analysis

Consider the primary opportunities and threats you face in the light of your internal strengths and weaknesses.

This will give you some priority options to consider:

<b>Feed into strategic options analysis</b>	<b>Strengths</b>	<b>Weaknesses</b>
<b>Opportunities</b>	Options for using strengths to take advantage of opportunities	Options for overcoming weaknesses that prevent pursuing opportunities
<b>Threats</b>	Options for using strengths to reduce likelihood and impact of threats	Options for addressing weaknesses that will make threats a reality

(Alternative text for table:

The four-quadrant table analyses an organisation's strategic options depending on the opportunities, threats, strengths and weaknesses it is faced with. The options are using their strengths in order to maximise opportunities and reduce threats but also overcoming their weaknesses in order to pursue opportunities or avoid threats. There are four arrows that point from the aforementioned options in the four quadrants to a quadrant called 'strategic options analysis' – this suggests that all the options identified will help determine the organisation's strategic direction.)

For more see:

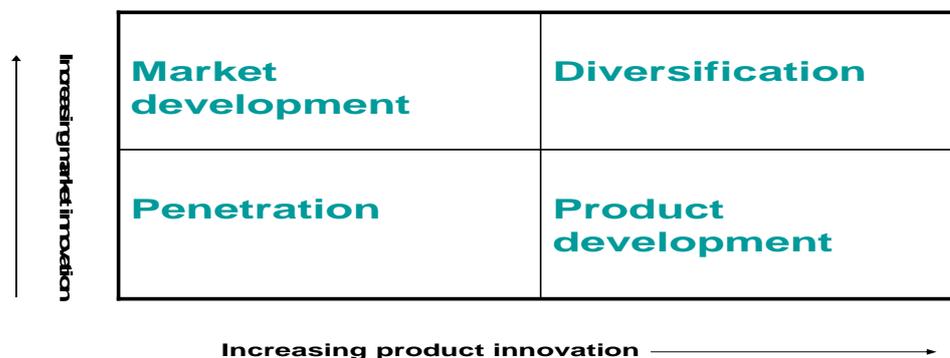
[Developing strategic options](#) on the KnowHow NonProfit website

## Growth strategies

(taken from: Copeman, C, Bruce, I, Forrest, A, Lesirge, R, Palmer, P and Patel, A (2008) 'Tools for Tomorrow' NCVO: London)

Ansoff's grid is a tool to help decide how and where to expand the organisation's activities in a very beneficiary focused way. It helps compare and contrast options to achieve the mission and consider relative risk.

Growth may not be the optimum strategy to achieve the mission and have greatest impact, so it important to first ask the 'why grow' question and consider the benefits of alternative development options. The first step in using the grid for growth analysis is to identify all your current products/offering and their markets, then consider your future options for expansion using the matrix shown below, considering opportunities, associated costs, benefits and risks:



Exploring the Options:

- The lowest risk option is to sell more of your existing offering in your existing market either by existing customers purchasing more or by increasing the number of customers from your existing market, the bottom left quadrant. This is increasing your market penetration.
- Somewhat more risky is to sell your existing product into new markets (more customers) – the top left quadrant. This is market development.

- More risky still is to develop new offerings for your existing markets – bottom right quadrant. This is product development
- Most risky is to develop new offerings for new markets. This is diversification

Notes:

- With the non profit dimension these risk ratings might change, eg increasing the market penetration of a loss making offering could be more risky than developing a new or amended product that is breakeven.
- If the organisation has many offerings then it is useful to prioritise before applying the matrix e.g. start with the most important offerings as defined by fit with Mission, volumes, conclusions from SWOT and Other Player Analysis.
- Unless there are particular reasons not to, also start by exploring the lower risk options.
- Because of our sector's commitment to innovation we often neglect the two left hand quadrants, so explore these carefully and consider the 'demand pull'.

## **Business model sustainability - the Dual Bottom Line Matrix Map**

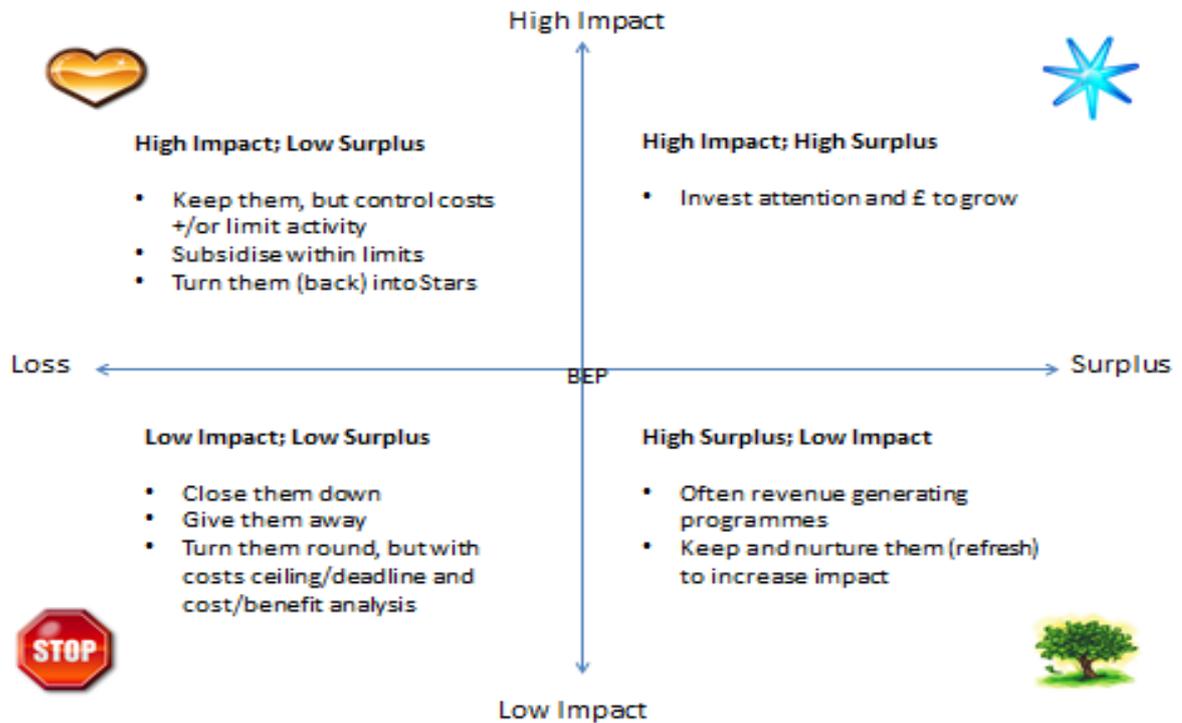
(taken from: Bell, J, Masaoka, J, Zimmerman, S (2010) Nonprofit Sustainability: making strategic decisions for financial viability, Jossey Bass: San Francisco)

Business model = who we are; what we do; why we do it; how we do it; with what resources

Sustainability = doing what's required to meet the needs of the present without compromising the ability of future generations to meet their own needs (taken from:  
<http://www.un.org/documents/ga/res/42/ares42-187.htm>)

A sustainable business model can be seen as having both a relevant and impactful portfolio of activities, along with sufficient working capital (funds to continue operations) to meet the needs and activities of the organisation over the medium to longer term.

To determine sustainability, Bell, Masaoka and Zimmerman encourage nonprofits to look at how their whole portfolio of activities works together, and map both the mission impact and financial return of all activities (products, services, campaigns and revenue generation activities).



**Profitability** = revenue minus costs for each activity

**Impact** = a one to four ranking of a selection of criteria: fit; excellence; scale; depth; FIG (filling important gap); community building; leverage (use data as evidence where possible)

Use a 'bubble' for each activity; make the size of the bubble relative to the cost of each activity (to spotlight where resources are going).

## The 3 'i's – helping sort out strategic options

(Taken from: Copeman, C and Griffith, M (2007) 'Looking Out' NCVO: London)

This chart is designed to help you appreciate the diversity of opportunity available in relation to your mission and desired impact:

<b>Improve</b>	<b>Innovate</b>	<b>Improvise</b>
<p>What opportunity does the information you have about the external and internal environment give you <b>to do what you do better:</b></p> <ul style="list-style-type: none"> <li>- Change the way you work</li> <li>- Be more responsive</li> <li>- Join with new collaborators to be more efficient e.g. share resources</li> <li>- Take advantage of new developments to improve efficiency or effectiveness</li> <li>- Access different funding streams or sources of funds</li> </ul>	<p>What opportunity does the information you have about the external and internal environment give you <b>to do different things:</b></p> <ul style="list-style-type: none"> <li>- Serve new beneficiaries</li> <li>- Provide different services, products, campaigns</li> <li>- Work in new geographical areas</li> <li>- Tap new sources of funds</li> <li>- Respond to changing beneficiary needs</li> <li>- Respond to changing funder/Government needs</li> <li>- Join with new collaborators</li> </ul>	<p>What opportunity does the information you have about the external and internal environment give you <b>to manage risks and threats:</b></p> <ul style="list-style-type: none"> <li>- Produce contingency plans to cope with threats</li> <li>- Join with others to fight threats together</li> <li>- Take action to reduce risks</li> <li>- Plan exit strategy</li> <li>- Carry out risk assessment</li> <li>- Change policy</li> <li>- Change tactics</li> <li>- Redesign processes</li> <li>- Redesign services</li> <li>- Learn new skills</li> <li>- Find new sources of funds</li> </ul>

Try to find a mix of options to include in your plan:

- Something that will help you expand your organisation's horizons in a new and exciting way (**innovate**)

- Something to work on to combat a threat or manage a potential risk (**improvise**)
- Something that will help you improve the quality of service you provide, perhaps by working with others outside your organisation (**improve**)