



- **BUSINESS TOOL: SWOT ANALYSIS**
- **RATIONALE AND APPLICATION:**

This is a strategic planning tool which summarises the key issues from the business environment and the strategic capability of an organisation most likely to impact on strategy development. This can be used as a basis against which to generate strategic options and assess future courses of action.

The primary aim is to identify the extent to which the current strengths and weaknesses are relevant to and capable of dealing with the changes taking place in the business environment. If the strategic capability of an organisation is to be understood the SWOT analysis is only considered useful if it is comparative, and not absolute to its “competitors” or other organisations, i.e. examining strengths, weaknesses, opportunities and threats relative to competitors.

A SWOT analysis should help focus discussion on future choices and the extent to which an organisation is capable of supporting these strategies.

- **LIMITATIONS AND ERRORS OF APPLICATION**
  - Beginning SWOT without defining a desired objective
  - Generating long lists of factors rather than considering what is necessary in achieving objectives
  - Confusing opportunities (external) with strengths (internal)
  - Confusing SWOT with potential strategies. SWOT describes conditions, strategies define actions
  - Lack of prioritisation, focus and critical appraisal
  - Generalisation
- **EXAMPLES**

## Strengths and weaknesses

- Resources: Physical and intangible
- Customer care
- Staff
- Quality
- Brand strength



- Range of cultural excellence –music, theatre, heritage, crafts, etc
- Good facilities

## Opportunities and threats

- Funding opportunities for participatory arts from Arts Council, Heritage Council
- Market trends
- Reputation declining
- Promote, export and import excellence in culture
- Celebration of minority cultures (travellers, asylum seekers, etc)
- No National Cultural Strategy or Task Force
- Local government and the public sector may not take up the new opportunities to promote/advance culture in the county
- Decline in volunteers
- Focus of funding will remain on bricks and mortar rather than on the use of facilities
- Lifestyle changes
- Technology
- Duplication of provision and competitor actions

- **FURTHER POINTS**

It is possible to create a scoring mechanism to assess the interrelationship between the environmental impacts (opportunities and threats) and the strengths and weaknesses of the organisation. The scale would range between (say) plus 5 and minus 5. A positive score indicates that organisational strength would help it take advantage of, or counteract a problem arising from an environmental change or that a weakness would be offset by that change. A negative score denotes that the strength would be reduced by such a change or that a weakness would prevent the organisation from overcoming problems associated with that change.

**A sample extract is shown below for a touring dance company**



	Environmental change (opportunities and threats)			
	Funding objectives: audience driven	Ethnicity mix	+	-
Strengths				
Strong name	+3	+1	4	
Adaptable performers	+3	+3	6	
Weaknesses				
Organisational composition	-2	-3		-5
ICT strength	-1	-2		-3
Impact scores	+6	+4		
	-3	-5		