

Using SWOT for Project Team Planning Sessions

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Abstract

This paper presents a simple but effective method for strategic conversation and project planning, based on the classical SWOT analysis.

What, when and why

Several years ago, we started to experiment with the classical business tool SWOT (analysis of Strengths, Weaknesses, Opportunities and Threats) as a framework for discussions in project workshops (see Horn, Niemann et al. 1994). Meanwhile, we have used SWOT in different contexts, for instance for the analysis and planning in projects for small agro-industry development, irrigation, and nature conservation in Asia, Africa and Latin America, as well as business consulting in Eastern Europe. From these practical applications, a „standard“ application procedure has emerged. It can be used as a simple structure for discussions within a project team, e.g. when

- defining the project strategy at an early stage of its existence;
- re-assessing a project strategy in preparation of discussions with a team of evaluators; or
- internally preparing a later, more formal planning exercise involving the different stakeholders in project implementation.

Basically, SWOT is an instrument of strategic planning. So what is strategy ? Entire books are dedicated to explaining this term, therefore it seems rather impossible to define it here exhaustively. However, Figure 1 may give a very general idea: two criteria are proposed for measuring project „well-being“: „Doing the right thing(s)“ on one side and „doing things right“ on the other side. The key statement is that a development project which is doing the wrong thing cannot be successful, even if it does the wrong thing very efficiently. On the other hand, a project which is doing the right thing, but inefficiently, may still be successful to some extent.

SWOT analysis and strategic discussion are concerned with identifying the right thing(s) to do. What is right depends on the specific interface between the project and its „environment“ (target groups, funding agencies, markets, laws and regulations, etc.). This environment defines options and constraints for the project, and the question whether it is doing the right thing strongly depends on the degree to which the project adapts its strategy to these factors. Defining the strategy, or the right things to do, will provide the basis for the necessary second step, which is adequate operational planning for doing things right, since chances for success are best if both criteria are met.

		<i>... doing the right thing ?</i>	
		No	Yes
<i>... doing things right ?</i>	No	This project will <u>die quickly</u>	This project may <u>partly succeed</u>
	Yes	This project will <u>die slowly</u>	Only this project will <u>fully succeed</u>

Figure 1: Project “Well-being“

Two further aspects need to be addressed here in order to clarify our interpretation of strategy:

- Strategies cannot be static. What was right yesterday, can be wrong today. Strategies have to be fine-tuned and/or re-assessed regularly. Project environments change, and project strategy must follow.
- Strategies cannot be fully planned. They emerge steadily from an on-going process of interpreting experience. Workshops can help to facilitate and structure communication as well as to find a temporary common denominator for the actions of the participants. It can usually not be expected that they incite completely new ideas.

General Remarks on the Facilitation of SWOT Workshops

We use „Metaplan“ techniques in our SWOT workshops. This means, in short, that participants note their ideas with felt-tip pens on small cards (about 10 x 20 cm, only one idea per card). A facilitator presents the cards to the group and ensures that they are understood by everybody and organised into clusters of related aspects, etc.. The cards are attached to boards or to the wall, so that the process of discussion is documented in an on-going manner and visible to all.

SWOT workshops should be guided by a neutral facilitator who concentrates on structure and logic, and not on contents. The demands on the facilitator rise with growing heterogeneity of the group of participants.

An Overview of the Planning Procedure

The complete SWOT analysis and strategic planning procedure consists of the following parts:

- Part 1: Preparing the ground. In this phase of the workshop, the planning object and the mission of the planning team are defined.
- Part 2: SWOT analysis.
- Part 3: Strategy discussion. The results of the SWOT analysis are related to the mission statement of the planning group and strategy elements are derived.
- Part 4: Operational planning. SWOT results and strategy elements will now be transformed into planning documents (logical framework, activity plans).

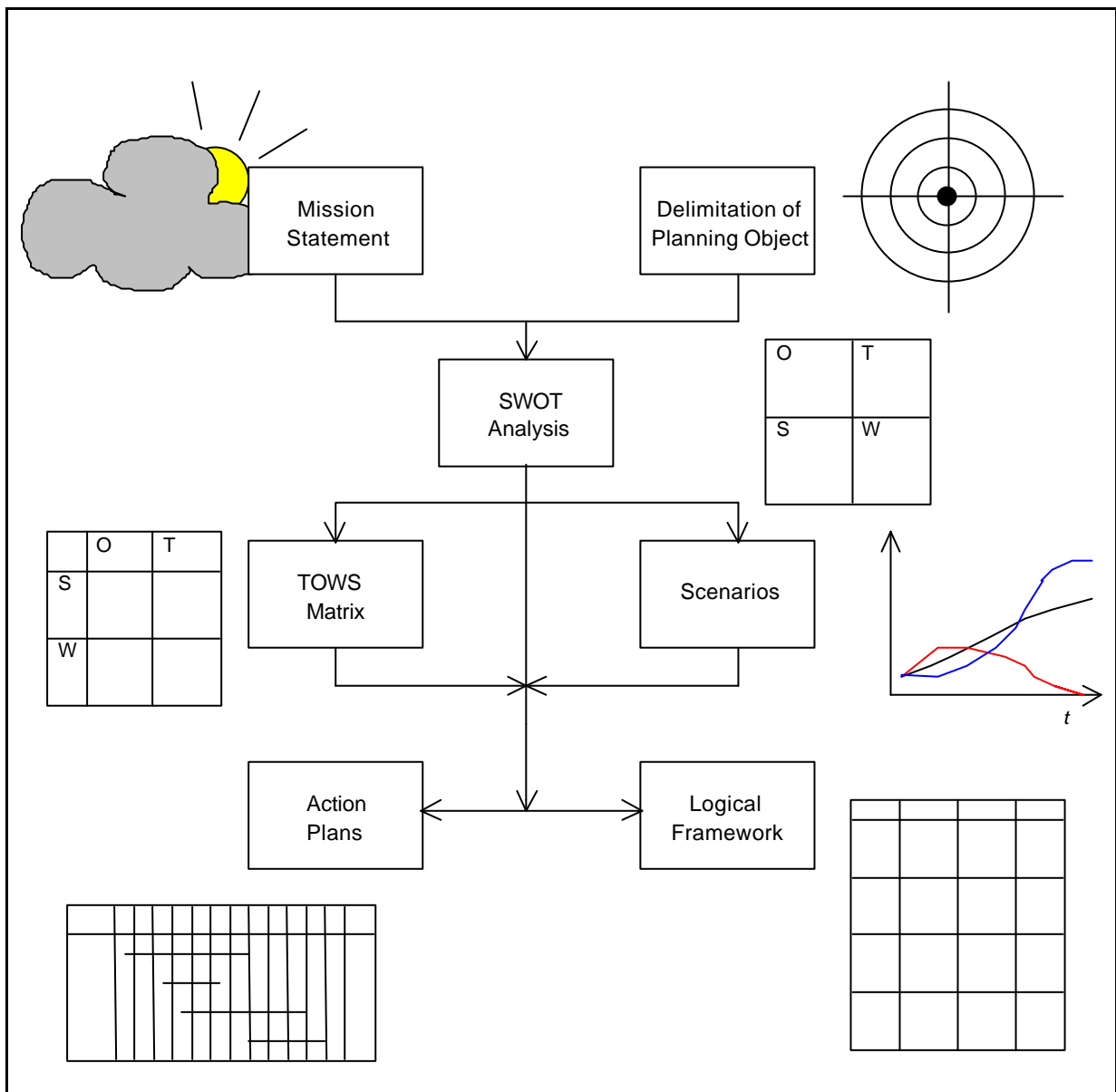


Figure 2: Schematic Planning Procedure

The different steps will be presented in this order. However, as will be explained later, they can also be organised flexibly according to the specific planning situation.

Delimitation of the Planning Object

The first step in SWOT (like in many other planning approaches) is to explicitly define the topic to be discussed and to post it on the wall as a point of reference. You can plan the development of a group of people (e.g. the project „target group“), a village, town, region, nation or the world, a business sector or only the small companies in it, for one product or the whole range of products of an enterprise, etc. What is important is to clarify the line between your planning object and its relevant environment. For example, if you plan for a department within an organisation, the other parts of that organisation are part of this department's environment, together with all the relevant actors and aspects outside the organisation (clients, regulatory bodies, etc.). If you plan for small farm businesses only, larger farm businesses are part of their environment although they are located in the same economic sector. It is useful to display the relationships graphically, for example in the form of embedded circles: The inner circle represents the planning object, and the different levels of external environments surround it like the skins of an onion. For later using the SWOT framework and deriving strategy elements, it is absolutely necessary to get clear about what are internal factors (strengths and weaknesses) and what are external factors (opportunities and threats). A side benefit is that this avoids unproductive discussions about where to put cards written by the participants.

Mission Statement

After having defined the planning object, the next question is: What do you want to achieve for it ? A typical starter question is: What would you like to read in the newspaper about your project in five years' time ? Usually this will provoke a range of ideas, partly at a „visionary“ level, containing elements for a statement about where the planning group wants to head. For example, in the case of an irrigation project, it may be found that the participants see the project rather as a tool for alleviating poverty in a certain region, which means that both, providing additional water and achieving equitable water distribution, are important elements of the mission. In a project for sustainable forestry management, two main concepts may appear: the first one stressing the objective of environmental protection, a second one asking for turning forestry into a profitable business.

Although the result may technically sometimes rather be a „vision“ than a „mission statement“, we prefer to talk about „missions“, because this term is better understood by a majority of participants. Anyway, both levels are acceptable as orientation for the planning workshop, since they allow to assess the strategic relevance of the strengths, weaknesses, opportunities, and threats that will be identified later.

The more heterogeneous the group, the more difficult or even impossible can it be to accommodate individual statements. This is one of the most critical moments, also for the facilitator. He/she has to help to identify existing or potential contradictions by asking questions intended to clarify and bring undercurrents to the surface. In the case of the forestry project, for example, it could be asked: Are the objectives of „environmental protection“ and „forestry as business“ just two sides of the same coin, or are they (partly) incompatible ? If they are partly incompatible, can they be re-formulated so that we avoid contradictions ? Can we subdivide the forestry sector and then assign different objectives to each sub-sector ? Can we agree on only one of the objectives for „our“ project ?

SWOT Analysis

This is the core element of the proposed procedure. However, given that the two previous steps have clarified planning object and mission, it is relatively easy to master.

According to our experience, it is useful to start with the factors in the project „environment“, i.e. opportunities and threats. This helps to avoid excessive optimism and/or becoming too self-focused. Therefore, participants are first asked to name opportunities and threats that affect the possibility to comply with the mission (by writing them individually on cards). Opportunities and threats shall not only be formulated on the basis of what exists now, but also by taking into account trends. The environment has to be assessed in a dynamic, future-oriented manner. O's and T's should be treated in one step, given that they are sometimes associated with each other. Threats may appear as the dark side of opportunities, but they often also contain opportunities for actors who are able to change their behaviour pattern. For example, unused surface and groundwater resources may constitute an opportunity for an irrigation project, but this opportunity may be closely linked to the threat of conflicts with neighbouring countries over use of river water. In the case of the forestry project, participants may detect a presently unsatisfied market demand for wood in the medium-quality segment, but also foresee a shift towards the high-quality segment going hand in hand with increased competition with producers from other countries.

Inevitably, also individual hopes and fears will somehow be reflected in the cards. This does not constitute a major problem, since quite a lot of planning is done intuitively, Furthermore, the relevance of individual statements can later be evaluated by using simple Importance-Probability matrices (see Figure 3), always relating the statements to the mission defined before. Alternatively, participants may be given a number of adhesive points, which they stick on cards according to their subjective priorities. By simply counting the points on each card, tentative group priorities can be established.

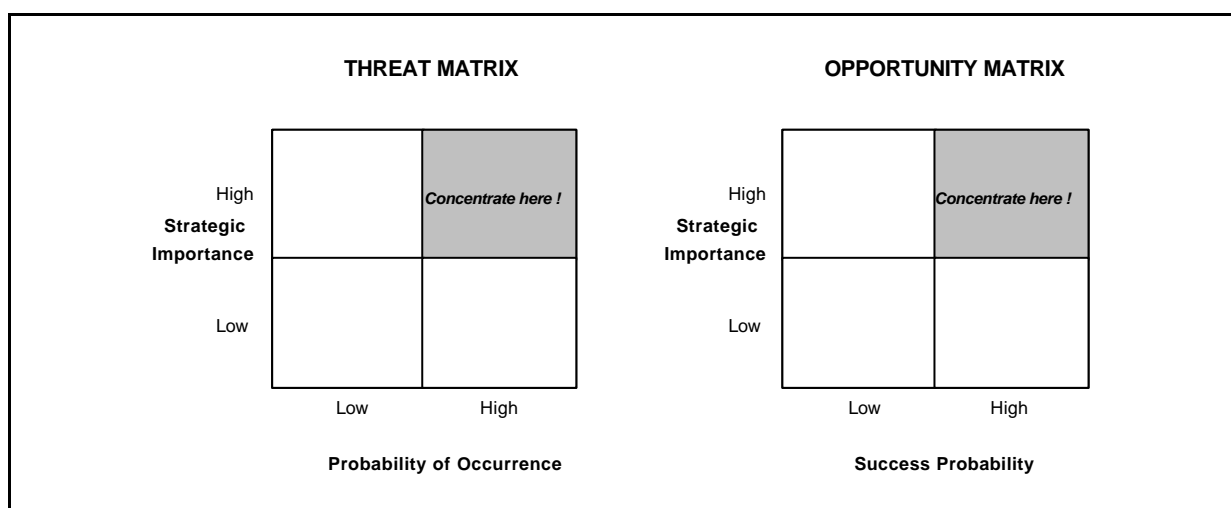


Figure 3: Opportunity and Threat Matrices

In contrast to the external aspects, it is important to assess the internal strengths and weaknesses in a very down-to-earth manner. Fantasies are not allowed here, only what really

exists is relevant. Again, participants should be invited to write down their statements on both aspects in one step. The relevance of the individual statements can be assessed by comparing them to the mission as well as the results of the OT-discussion, and by applying a simple Importance-Performance matrix as presented in Figure 4 (or the point-system mentioned before). Taking again the irrigation project example, examples for strengths and weaknesses could be: „well-organised local communities“ and „farmers have no experience with irrigation“. In the case of the forestry project, a strength may be „high productivity in the medium-quality wood segment“ and a weakness „low level of (re-)investment in wood technology“.

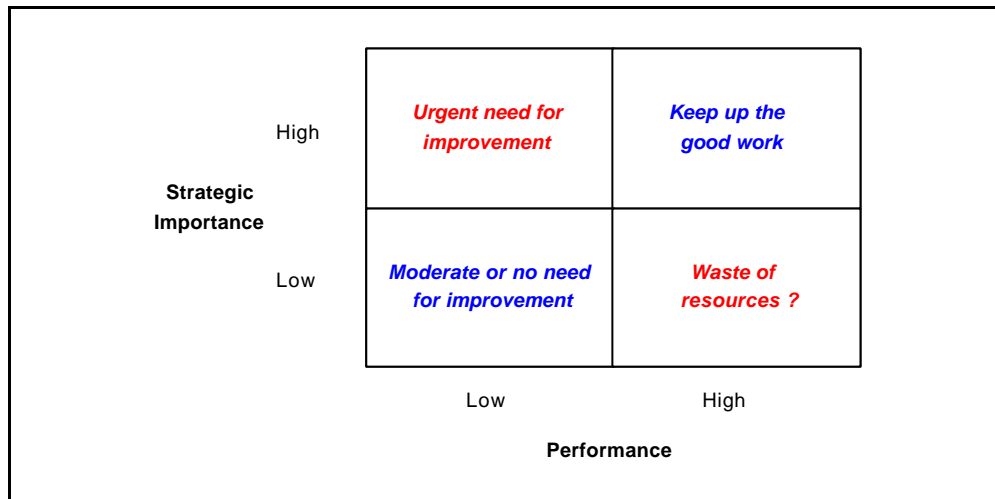


Figure 4 : Importance-Performance Matrix

When all four dimensions have been covered, individual statements contemplated by the participants, and major topics identified through clustering related cards under adequate headings, this step has been concluded. Discussing S, W, O, and T, tends to be a very lively and communicative part of the workshop. The structure is easy to understand and appeals to common sense. Thinking in contrasts incites creativity and allows to move freely in different directions.

Scenarios

Usually at least some of the participants in a strategy discussion do already have an idea of what the strategy should be. For them, the earlier parts of the workshop are rather a means of communicating and testing their ideas. After finishing the SWOT analysis, they could possibly stand up and present an ad hoc draft for a project strategy and the necessary clusters of activities. Apart from the inherent danger of only reproducing old ideas (by somehow fitting new thoughts brought up by other participants into them or, if this is not possible, ignoring them), this can also lead to results which do not reflect majority opinion because the thinking process has been cut short and has been dominated by a few pre-determined opinions.

Therefore, we propose one or more intermediate supportive steps. The first one is to have a closer look at opportunities and threats. Do the cards written by the participants represent one congruent future or rather different ones ? If such differences exist, it may be worthwhile replicating the most important aspects and cluster them under headings, or perhaps

„nicknames“, which grasp their essence. Typically, there may be one more optimistic and one more pessimistic scenario for future development in the project environment, each one with its specific set of opportunities and threats (for detailed discussions of scenario planning see Ringland, 1998, and van der Heijden, 1996). Coming back to the example of the project for sustainable forestry management, let us suppose that wood prices are critical as an incentive for sustainable production practice, and that therefore much depends on the rather uncertain future development of the demand for higher priced green brands. The project strategy will at least partly depend on what price development is assumed. In the case of the irrigation project, there may be one scenario for the case that a favourable regional treaty on water use can be worked out, and another one for the case that this proves to be impossible.

If different scenarios become apparent, several questions should be discussed and conclusions drawn:

- Which of the scenarios seems more probable ?
- Do they really make a difference for how to design the project ?
- What would be an adequate strategy when considering each scenario alone ?
- Can we put together a strategy (possibly from strategy elements for the different scenarios) which gives us acceptable success probability independently of the scenario which finally becomes reality ?

Questions one and two will have to be discussed with the whole group of participants. Work on the scenario-related strategies (third question) can be delegated to sub-groups, since the precise formulation of strategy elements is easier in smaller working groups. Question four will again have to be discussed with the entire group.

TOWS Matrix

Alternatively, or in addition to the scenario discussion, the TOWS matrix can be used (see Wehrich 1990)¹. This method is easier to handle, and discussions in the entire group of participants will be more limited. The basic idea is to combine priority S's and W's on one side, and O's and T's on the other side in a pair-wise manner. Up to four workshop sub-groups can be formed, each one dealing with one combination.

	Strengths: - -	Weaknesses: - -
Opportunities: - -	Strategy elements for the <u>short term</u>	Strategy elements for the <u>medium term</u>
Threats: - -	Strategy elements for the <u>medium term</u>	Strategy elements for the <u>long term</u>

Figure 5: Schematic TOWS Matrix

For each combination, the following points should be covered:

- What strategy would adequately address this specific combination of internal and external factors ?
- What will be corresponding key activities of the project?
- And what are the chances and risks inherent in this approach ?

The first question is the most difficult one, and answering it needs some imagination. A guideline can be provided by the simple logic that in each of the four fields, the respective strategy will somehow mean to work on the internal aspects in order to address or cope with the external ones.

The elegant feature of the TOWS matrix is that the results of the work in individual groups can usually be fitted together as parts of one master strategy. This is due to the fact that the pairs will inherently address different time horizons. Strategies based on strengths and opportunities can probably be realised quickly, while working on weaknesses and threats will probably need more time. However, this time may not be available, if no immediate action is taken, while immediate action alone may not produce sustainable results. In this way, the different strategy elements identified by the sub-groups will tend to be mutually supportive. For example, in the case of the fictitious forestry project, it was found that a low level of re-investment in new wood technology by local enterprises coincides with demand shifting to, and competition increasing in, the high-quality segment. This TW-pair could probably only be met by activities with a medium to long-term time horizon. However, presently competitive levels of productivity of medium-quality products together with an unsaturated market may allow to achieve some success in the short term, providing additional capital for investment (an OS-pair). The respective strategy elements would be: „exploit unsatisfied demand in medium-quality segment“ (OS, short term) and „prepare for competition in high-quality segment“ (TW, medium to long term). In the case of the irrigation project, a short-term strategy element could be „use groundwater for small, village-based irrigation schemes“, a medium-term strategy element „assure national quota in use of regional rivers“, and a medium to long term strategy element „establish new gravity irrigation schemes along rivers“. In a next step, related chances and risks will have to be assessed and, if these are acceptable, supportive activities listed.

Especially if the planning group is rather large (more than ten people), it will possibly reach its performance limits at this point. Fine tuning of wording can be delegated to a smaller task-force group. However, the group as a whole will evidently have reached a far deeper understanding of project strategy than if the process was cut short immediately after finishing the SWOT analysis. It is also less probable that existing problems (like the possibility of conflicts about water use) or uncertainties (like future market prices for green brand wood) are neglected by the group for further planning.

Logical Framework

The logical framework permits to synthesise basic elements of project planning on one sheet of paper. A lot has been published on logframe (for example Coleman 1987 and several GTZ publications), therefore only the most prominent features shall be briefly presented here.

Objectives and Activities	Success Indicators	Pre-conditions and Assumptions Outside Project Influence	Means/Sources of Verification for Indicators and Assumptions
<p><u>Overall Goal:</u> ... to which the project shall <u>contribute</u></p>	<p>For every level (excluding activities): What shall be achieved by when and where in terms of quantity and quality ?</p>	<p>Here: Assumptions and pre-conditions guaranteeing that the contribution will be sustainable</p>	<p>For every level: As simple and efficient as possible</p>
<p><u>Project Purpose:</u> ... which the project is to achieve directly</p>		<p>Here: Assumptions and pre-conditions that have to be met so that achieving the project purpose contributes to achieving the goal</p>	
<p><u>Project Results:</u> ... which have to be achieved in order to meet project purpose</p>		<p>Here: Assumptions and pre-conditions that have to be met so that the sum of results really leads to achieving project purpose</p>	
<p><u>Project Activities:</u> ... which are needed for producing the expected results</p>	<p>Field can be used for rudimentary budgeting.</p>	<p>Here: Assumptions and pre-conditions that have to be met so that the planned activities really lead to the expected results</p>	

Figure 6. Logframe Logics

It consists of four columns containing the narrative description of objectives and activities, success indicators (usually called objectively verifiable indicators or OVIs), the means of verification of success indicators (MOVs), and assumptions about developments outside the project's sphere of influence. The framework includes four horizontal levels which are, starting from the lowest, project activities (or „inputs“), results (or „outputs“), project purpose, and overall goal. The vertical logic of the framework is that the project proceeds from carrying out the activities to achieving the results, thus fulfilling the project purpose which will contribute to a higher goal (e.g. related to sectoral, national or donor policies). However, moving from a lower to a higher level will only be possible if also the important assumptions for project success at the respective levels are fulfilled. The whole structure is summarised in Figure 6. Please note that the logframe may slightly vary from one donor to another, so please make sure to use the adequate format required by the specific project sponsor(s).

Because of the complexity of the framework, we propose to limit work in the group to the extraction of pertinent elements from the foregoing mission statement, SWOT analysis and strategy discussion, and to place them into the logframe matrix. The final matrix can later be completed by a small task-force group which should, of course, present its work to the original group of participants for approval.

So, for example, in the irrigation project, the part of the mission statement referring to the higher goal of poverty alleviation could be the basis for formulating the project goal, while the important objectives of higher availability of irrigation water and equitable distribution of water rights will have to be captured in the project purpose and/or the respective indicators. „Water user association operational“ (or a similar formulation) would certainly be one important project result which requires a range of activities describing how this result will be achieved. The need for reaching a regional water treaty should preferably be dealt with on the active side of project planning, i.e. in the form of a result and/or activities. If it has to figure on the passive side, i.e. as an assumption (like „Treaty can be reached“), it must at least be monitored closely. However, putting it as an assumption only makes sense, if it is not seen as improbable, or, in other words, as a potential project „killer“. If it is improbable, planning has to be based on the scenario that such an agreement can probably not be concluded.

Instead of taking the complete, but longer way over the logframe matrix, it is also possible to enter directly into activity planning. To this end, major topics identified in SWOT analysis and strategy discussion can be formulated as project results or, simpler, as obligatory fields of work for the project. The formulation of the corresponding sets of activities can then be delegated to smaller sub-groups.

Activity Plans

Activity planning is needed in order to render general project planning, for example in form of a logframe matrix, operational. It defines exact inputs needed, period of implementation, deadlines, responsibilities, physical output etc. for each individual activity. Activity planning is a standard tool in project management and does not need to be explained here extensively. However, we found it helpful to use cards and prepare large sheets of brown or white wrapping paper with a basic grid for activity plans sketched on it. The participants can then note the different attributes of activities (formulation, responsible persons and supporters, time period of implementation, necessary inputs, expected outputs) on separate cards, where

possible using different colours, and place them into the grid. This method is quick, relatively clean, and allows for easy correction of errors and later amendments. Flexibility is important since activity planning usually is an iterative process in which the individual activities have to be adapted to each other constantly.

Planning Sequence and Time Needed for Different Workshop „Packages“

The complete SWOT and strategic planning procedure, as elaborated above, consists of the following steps:

- Delimitation of planning object and mission statement;
- SWOT analysis;
- Strategy discussion and formulation of strategy elements;
- Establishment of logical framework and operational planning.

However, the different elements can be combined in a flexible manner.

The „core package“ consists of steps one, two and four (partly). In this case, the SWOT analysis will be used directly for putting together a rudimentary logical framework. Discussion of strategy is limited to reviewing the initial mission statement and defining project activities in the light of the SWOT results. The completion of the logical framework in the aftermath of the workshop can be delegated to a small task-force group formed by workshop participants. Therefore, this kind of workshop can usually be concluded within one working day.

This „core package,, can be enlarged into two directions which are not mutually exclusive. The first one is a „strategy-extension“, where at least half a day will be spent on the third step. The other one is the „operations-extension“ aiming at establishing the basic operational planning (which will probably have to be completed and fine-tuned by a task-force group after the workshop). Such operational planning can easily take one day, however, the time frame evidently depends largely on the complexity of the project.

Conclusion: Advantages and Disadvantages of SWOT

From what has been presented before, the following advantages of SWOT can be deduced:

- SWOT and strategy planning workshops are flexible, and, even when covering the entire process, relatively short. If the group of participants is homogeneous, a rudimentary logframe can be available by the end of the first day. Arriving at operational plans will need a two-day to three-day workshop.
- The basic analytical structure (SWOT framework) is simple and immediately appeals to participants from a wide variety of backgrounds.
- The procedure can be used to incite „in-depth“ debate about strategy in groups.
- SWOT directs the attention of participants to the environment and its on-going development. This enables a more realistic assessment of the medium to long-term importance of (supposed) internal strengths and weaknesses.

These advantages are contrasted by some disadvantages:

- SWOT is not very adequate for working with large and/or heterogeneous groups of participants, especially since the early definition of a mission statement can overtax the group's capacity for compromise.
- Results of SWOT workshops can (and should) not be completely standardised. The development of the workshop largely depends on group dynamics, evolving interests and interaction between group and facilitator.

Notes and References

- ¹ By changing the order of the letters Wehrich wants to stress that T and O come first in SWOT analysis. The advantage of using the reverse abbreviation here is that it helps to avoid confusing the SWOT analysis discussed before with the matrix presented in this chapter.
- G Coleman (1987), „Logical framework approach to the monitoring and evaluation of agricultural and rural development projects“, *Project Appraisal* 2(4), December, pages 251 – 259.
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