

Welcome to SWOT Analysis

Training

SWOT Analysis for Community Networks

SWOT means Strengths, Weaknesses, Opportunities, and Threats. This is a management tool used in identifying the strengths, weaknesses, opportunities and threats facing the organization.

Strengths and Weaknesses (SW) are internal to the organization (factors in the internal environment) while Opportunities and Threats (OT) are external to the organization (factors in the external environment).

The objectives of conducting the SWOT analysis

- To help identify areas of opportunity so you can make the most of your strengths and minimize their weaknesses.
- To help you develop strategies for mitigating risks or threats from trends or changes in factors in the external environment that are likely to cause a decline in revenue, market share or profits.

Understanding the internal and external environments

To begin with, the internal environment of your organization consists of factors that you have control over and that impact your organization's ability to achieve its objectives.

These factors include

- Organization's resources: This includes, but is not limited to, employees and their skills, equipment, finances, raw materials/inputs)
- Organizational culture: Including values, norms and code of ethics-which shape the behaviour of employees as well as organizational practices
- Leadership and governance: this entails decision-making processes, management style, and organizational policies, etc)
- Technological infrastructure: This includes the software, hardware, processes, and systems that the organization has installed or invested in and which facilitate business operations.

The External Environment

The external environment consists of factors that your organization has no control over, but has to respond to them.

They affect your organization by making the market more or less favorable for the organization. They include

- Political factors: This pertains to how the government interferes or influences your organization's operations; through regulations and government decisions. Political factors include government regulations, political stability/instability of a country, the level of corruption, bureaucracy, tax policy, etc.
- Economic factors: Inflation, interest rates, economic growth/recession, level of unemployment, taxes, etc.
- ▶ Social factors: (factors that affect the lifestyle of your target market). They include trends in the social environment, education level, religious beliefs, technology acceptance, and disposable income level

The External Environment Cont'd

- Technological factors: They include new technological developments or innovations such as automation.
- Environmental Factors: This involves considering things that change the natural environment. They include pollution (waste production and carbon footprint), climate change, natural disasters, depletion of natural resources, etc
- Legal Factors: These relate to how the existing and emergent laws affect how your organization operates. There are laws on taxation, consumer protection, data protection, employee protection, advertising, business licensing, etc.

Strengths

These are the positive attributes of your organization; what it excels in as well as the sources of its competitive advantage.

Discovering strengths requires asking questions like

- What does my organization excel in? or what is our competitive advantage?
- What is the unique selling proposition (USP) of my organization? (USP is what renders your organization superior to your rivals, or what makes your organization different/stand out in the market).
- What are the unique resources and capabilities that my organization have?
- What advantages does the organization have over our competitors?
- What other positive aspects, internal to the organization, add value or offer a competitive advantage?

Activity 1: Identifying Strengths at individual CN organization

1. You have a competitive advantage.
2. You measure organizational growth and performance
3. You have segmented the market. categorizing the market into consumer groups with similar needs and, marketing to them accordingly).
4. You operate as a licenced Community Network organization
5. Have a team of skilled employees (employees are a source of innovation)
6. Patented inventions/ideas
7. First mover advantage-it creates brand recognition and loyalty in the marketplace.
8. The organization is ISO-C compliant.
9. Have established a strong brand and brand equity. (Owning the community).
10. Have established a loyal consumer base
11. Investment in a unique technology
12. You have a strong organization's culture
13. You have good leadership

Weaknesses

These are an organization's aspects that places it at a competitive disadvantage. These aspects must be enhanced in order to keep abreast with competitors in the market.

Identifying weaknesses requires asking questions such as:

- ▶ What factors, internal to the organization, detract you from obtaining or maintaining a competitive advantage?
- ▶ What areas require improvement?
- ▶ What does the organization lack which hinders it from accomplishing its objectives or competing effectively?

Activity 2: Identifying Weaknesses at individual CN organizations

- **Skills deficiency**
- **Lack of clear business strategy**; the clear set of actions and plans that you implement to achieve the organization's objectives & goals (short-term and long term).
- **Inadequate resources.** For instance, Lack of skilled workforce (sales team, IT team, accounts team, HR unit), finances, communication infrastructure, etc, caused by inadequate capacity for resource mobilization.
- **Lack of license:** this exposes the organization to lawsuits and fines.
In some cases, the organization may be forced to cease operations until the license is acquired.
- **Failure to establish robust relationships with community members and other organizations such as schools and churches.**
- **Lack of compliance with the government requirements for CN organizations.**
- **Underdeveloped internal processes.**
- **Lack physical location and online presence.**
- **High debt levels**
- **Underdeveloped internal controls: HR policy, finance policy, records,**
- **Underdeveloped organizational structure/challenges with internal management.** Separation of

Opportunities

These are favorable external factors that present potential improvement and growth areas for your organization. To discover opportunities, you need to answer questions like.

- What trends within the social environment can the organization take advantage of?
- How can the organization use its strengths to overcome weaknesses and address threats?
- What market opportunities are emerging within our domain?
- How have government policies and regulations changed in the organization's favor?
- What new or existing technological developments or innovations can the organization take advantage of?
- What opportunities do international communities present to the organization?

Activity 3: Identifying Opportunities at Individual CN organization

- ▶ International Telecommunications Union (ITU)'s special interest in Kenya to open 100 Community Network organizations.
- ▶ The Communications Authority (CA) of Kenya is now licencing Community Networks. This means the market is ready for CNs.
- ▶ Access to donor funding: Organizations like APC, and ISOC are providing funding to the already established organizations.
- ▶ Availability of learning exchanges that equip CNs with the knowledge and skills they require.
- ▶ Communities of practice (COP) are helping CNs to develop skills.

Threats

These are external factors with potential to cause harm to the organization.

Organizations have no control over external factors and how they impact operations however they may benefit by having contingency plans; plans for addressing adversities when they occur.

Identifying threats necessitates answering questions like;

- Who are the potential and existing competitors?
- What external factors place our organization's strategy at risk?
- What trends are likely to cause a decline in revenue, market share or profits for our organization?
- What changes in regulations are likely to affect our organization's operations?

Identifying Threats facing CNs

1. The first mover disadvantage; involves the risk of your products being improved or copied by new market entrants.
2. Noncompliance with emerging regulations
3. Inability to secure funding for continuous development.
4. Diminished sustainability due to lack of community participation.
5. (it is important that community members have a chance to participate in the initiatives so that they can support the CN's initiatives).
6. Poor relationship with community leaders, members and other organizations like churches and schools, etc.
7. Competition from new entrants especially with the government lowering the barrier of entry for CNs.
8. Technology disacceptance by the community. e. disapproval of smartphones, mobile apps, computer skills, Internet, etc.

Conducting TOWS Analysis

	Strengths	Weaknesses
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Opportunities		
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