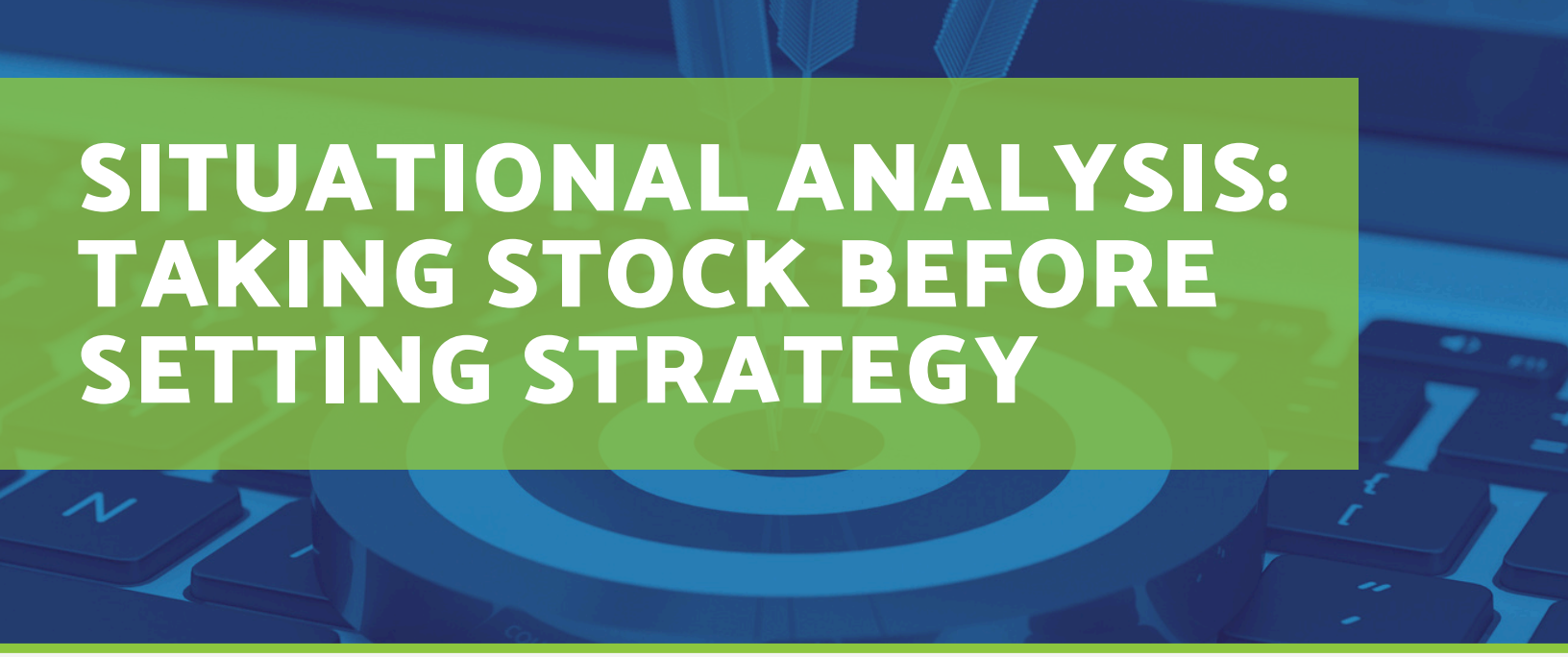

SITUATIONAL ANALYSIS: TAKING STOCK BEFORE SETTING STRATEGY

If your nonprofit is engaging in strategic planning or working on its strategy, it is important to take stock of the environment first. This is called a "Situational Analysis" and it should include three components:

1. **Identifying a problem statement**
2. **Understanding the environment**
3. **Validating the need**

THREE COMPONENTS

1 PROBLEM IDENTIFICATION

Identifying the core problem being solved by the organisation's existence

- What, succinctly, is the issue you aim to tackle, in one or two sentences.
- It specifies the exact challenge you seek to address
- It is the root of your organisational strategy and theory of change
- Defining it will sharpen analysis and provide clarity and agreement around key components of strategy

2 NEEDS ASSESSMENT

Validating and quantifying the problem and associated needs through research, and ensuring you understand the problem from the perspective of those who live with and experience it

- The process for determining if there is or remains an actual need associated with the problem.
- Method for figuring out if beneficiaries require the service you want to provide and if it will appropriately address their needs.
- A way to keep your organisation relevant by understanding changes in beneficiaries' needs over time

3 ENVIRONMENTAL SCANNING

Assessing internal strengths and weaknesses and external opportunities and threats facing the organisation (also known as a SWOT)

- Being strategic means anticipating and responding to the current and future environment in order to remain competitive and sustainable
- Considers an organisation's strengths and weaknesses through an organisational assessment; talking with board, staff, volunteers and beneficiaries as well as considering existing data captured through past surveys and programme evaluation data
- Considers external opportunities and threats facing an organisation by conducting a PESTEL analysis, considering best practices and trends in the field, and gathering stakeholder input

ROLE OF STAKEHOLDER CONSULTATION

Conducting a needs assessment and environmental scanning both require stakeholder consultation. It can be useful to hear from beneficiaries, staff, board, volunteers, donors and key community partners during the situational analysis. Surveys, interviews and focus groups are great ways to gather data from your key stakeholders.