



Museum Management Training at the Fine Arts Zanabazar Museum

UNESCO-Zanabazar Museum National Training Workshop – Ulaanbaatar, Mongolia, 8- 23 October 2007

BACKGROUND READING MATERIALS

SWOT Analysis (Gary Edson)

The value of the planning and self-evaluation processes should not be underestimated. Any review can provide valuable information and the opportunities for improvement.

The SWOT analysis can be an extremely useful tool for understanding and decision-making for all sorts of situations. SWOT is an acronym for Strengths, Weaknesses, Opportunities, and Threats. The SWOT analysis headings provide a good framework for reviewing strategy, position, and direction of a museum or an idea. Completing a SWOT analysis is very simple, and is a good subject for staff discussion. A SWOT analysis can be used for business planning, strategic planning, competitor evaluation, marketing, business, and product development and research reports. It can also be used as an exercise for team building.

A SWOT analysis is a subjective assessment of data organized in the SWOT format into a logical order that helps understanding, presentation, discussion, and decision-making. The four dimensions are a useful extension of a basic two heading list of pros and cons.

A SWOT analysis can be used for all sorts of decision-making, and the SWOT template enables proactive thinking, rather than relying on habitual or instinctive reactions. The SWOT analysis template is normally presented as a grid, comprising four sections, one for each of the SWOT headings: Strengths, Weaknesses, Opportunities, and Threats.

The SWOT template includes sample questions, whose answers are inserted into the relevant section of the SWOT grid. The questions are examples, or discussion points, and obviously can be altered depending on the subject of the SWOT analysis. Note that many of the SWOT questions are also talking points for other headings - use them as you find most helpful, and make up your own to suit the issue being analyzed. It is important to clearly identify the subject of a SWOT analysis, because a SWOT analysis is a perspective of one thing, be it a company, a product, a proposition, an idea, a method, or option, etc.

All museums can benefit from a SWOT analysis.

Definition of SWOT

As with most management models, the clue is in the name.

S = Strengths

W = Weaknesses

O = Opportunities

T = Threats

Management models have four quadrants such as the SWOT matrix. Each of the four quadrants is used in turn to analyze where the museum is now, where you want it to be, and how to develop an action plan to get there.

Regardless of whether the director or a museum team is planning for specific products, work, personnel, or any other area, the SWOT analysis process is the same.

Step 1 is to describe the present situation...

List all strengths that exist now. Then in turn, list all weaknesses that exist now. Be realistic but avoid modesty!

Step 2 is to anticipate what might be...

List all opportunities that exist in the future. Opportunities are potential future strengths. Then in turn, list all threats that exist in the future. Threats are potential future weaknesses.

Step 3 is to determine a plan of action...

Review the SWOT matrix with a view to creating an action plan to address each of the four areas.

Orienting the SWOT analysis to an objective

A SWOT analysis must start with defining a desired end state or objective, or it runs the risk of being useless. A SWOT analysis may be incorporated into different strategic planning models. Once a clear objective has been identified, a SWOT analysis can be used to help in the pursuit of a defined objective.

SWOT means:

- Strengths: attributes of the museum that are helpful to achieving the objective.
- Weaknesses: attributes of the museum that are harmful to achieving the objective.
- Opportunities: external conditions that are helpful to achieving the objective.
- Threats: external conditions that are harmful to achieving the objective.

Identification of the SWOT elements is essential, because subsequent steps in the process of planning to achieve a selected objective are derived from the SWOT analysis.

First, the museum decision makers must determine whether the objective is attainable, given the SWOT process. If the objective is NOT attainable a different objective should be selected and the process repeated. If, on the other hand, the objective seems attainable, the SWOT analysis is used as input to the creative generation of possible strategies, by asking and answering each of the following four questions, many times:

1. How can each Strength be used?
2. How can each Weakness be stopped?
3. How can each Opportunity be exploited?
4. How can each Threat be defended against?

Ideally, a task force that represents a broad range of perspectives should carry out the SWOT analysis. For example, a SWOT team may include a business manager, a curator, a community representative, an education specialist, and an executive manager (director).

Stating SWOT issues as actions and sorting them into six categories provides a framework that can be developed to make the identified elements more useful. The sorting process makes them quantifiable and measurable because they can be aligned with the way museums operate. Categorizing SWOT issues into six categories also allows the reviewing team to be more responsive, and therefore the activities will be more constructively oriented. The other pivotal part in the process is achieving the commitment from the team(s) involved.

SWOT as an exercise in and of itself has no benefit. Therefore, what is required is the arranging of the issues into the planning categories of:

1. Product (what is the museum presenting?)
2. Process (how is the museum presenting it [programs, exhibitions, publications]?)
3. Customer (to whom is the museum presenting it [audience, constituents, customers]?)
4. Distribution (how does the information about the museum reach the audience, constituents, customers?)
5. Finance (what are the prices or costs to the museum and the audience, constituents, customers?)
6. Administration (and how does the museum manage all this?)

By sorting the SWOT issues into the 6 planning categories, a system can be developed that presents a practical way of assimilating the internal and external information about the business unit, delineating short and long term priorities, and allowing an easy way to build the management team which can achieve the objectives of profit growth. Depending on pretext and situation, a SWOT analysis can produce issues that readily translate into (one of the six) category actions, or it can produce issues that overlay a number of categories, or a mixture of categories. SWOT essentially informs what is good and bad about the museum or a particular proposition.

As far as identifying actions from SWOT issues is concerned, it all very much depends on your reasons and aims for using SWOT, and also your authority/ability to manage others, whom by implication of the analysis breadth and depth are likely to be involved in the agreement and delivery of actions.

Internal and external factors

The aim of any SWOT analysis is to identify the key internal and external factors that are important to achieving the objective. A SWOT analysis groups key pieces of information into two main categories:

- Internal factors – The strengths and weaknesses internal to the organization.
- External factors – The opportunities and threats presented by the external environment.

The internal factors may be viewed as strengths or weaknesses depending upon their impact on the museum's objectives. What may represent strengths with respect to one objective may be weaknesses for another objective. The factors may include all of the 4Ps (Purpose, People, Planet, Probity), as well as, personnel, finance, manufacturing capabilities, and so on. The external factors may include macroeconomic matters, technological change, legislation, and socio-cultural changes, as well as changes in the marketplace or competitive position. The results are often presented in the form of a matrix.

SWOT analysis is just one method of categorization and has its own weaknesses. For example, it may tend to persuade museums to compile lists rather than think about what is really important in achieving objectives. It also presents the resulting lists uncritically and without clear prioritization so that, for example, weak opportunities may appear to balance strong threats.

It is prudent not to eliminate too quickly any SWOT entry. The importance of an individual SWOT entry will be revealed by the value of the strategies it generates. A SWOT item that produces valuable strategies is important. A SWOT item that generates no strategies is unimportant.

Avoiding Errors

1. Avoid conducting a SWOT analysis before defining and agreeing upon an objective (a desired end state). The SWOT analysis should not exist in the abstract. It exists only with reference to an objective. If the desired objective is not clearly defined and agreed upon, the participants may have different ends in mind and the results will be ineffective.
2. Opportunities external to the company are often confused with strengths internal to the company. They should be kept separate.
3. SWOT elements are sometimes confused with possible strategies. The SWOT elements are descriptions of conditions, while possible strategies define actions. This error is made especially with reference to opportunity analysis. To avoid this error, it may be useful to think of opportunities as "auspicious conditions."

Strengths and weaknesses:

- Resources: financial, intellectual, location

- Cost advantages from proprietary knowledge
- Creativity/ability to develop and meet constituent needs
- Valuable intangible assets: intellectual capital
- Competitive capabilities
- Broad-based programming

Opportunities and threats:

- Social trends
- Economic conditions
- Technology
- Public expectations
- Competitors and competitive actions
- Poor public relations
- Criticism (Editorial)
- Global attitudes and practices
- Environmental conditions

Use of SWOT Analysis:

A SWOT analysis may be used in any decision-making situation when a desired end (objective) is defined. A SWOT analysis may also be used in pre-crisis planning and preventive crisis management.

As part of the development of strategies and plans to enable the organization to achieve its objectives, that organization will use a systematic/rigorous process known as corporate (institutional) planning. SWOT can be used as a basis for the analysis of business and environmental factors.

- Set objectives – defining what the organization is intending to do
- Environmental scanning
- Internal appraisals of the organization's analysis, this needs to include an assessment of the present situation as well as a portfolio of products/services and an analysis of the product/service life cycle
- Analysis of existing strategies, this should determine relevance from the results of an internal/external appraisal. This may include gap analysis that looks at environmental factors.
- Strategic Issues defined – key factors in the development of a corporate plan which needs to be addressed by the organization
- Develop new/revised strategies – revised analysis of strategic issues may mean the objectives need to change
- Establish critical success factors – the achievement of objectives and strategy implementation
- Preparation of operational, resource, project plans for strategy implementation
- Monitoring results – mapping against plans, taking corrective action which may mean amending objectives/strategies.[6]

Following Are Some Examples Of What A SWOT Analysis Can Be Used To Assess:

- the museum (its position in the community, etc.)

- a method of promotion
- a product or brand
- a business idea
- an opportunity to make an acquisition
- a potential partnership
- outsourcing a service, activity or resource
- an expansion opportunity (new services, audiences, activities, facilities, etc.)

The subject for the SWOT analysis must be described clearly so people contributing to the analysis, and those seeing the finished SWOT analysis, will properly understand the purpose of the SWOT assessment and implications.

Strengths

- Advantages of proposition?
- Capabilities?
- Competitive advantages?
- Unique selling points?
- Resources, assets, people?
- Experience, knowledge, data?
- Financial reserves, likely returns?
- Marketing - reach, distribution, awareness?
- Innovative aspects?
- Location and geographical?
- Price, value, quality?
- Accreditations, qualifications, certifications?
- Processes, systems, IT, communications?
- Cultural, attitudinal, behavioral?
- Management cover, succession?

Weaknesses

- Disadvantages of proposition?
- Gaps in capabilities?
- Lack of competitive strength?
- Reputation, presence and reach?
- Financials?
- Timescales, deadlines and pressures?
- Cash flow, start-up cash-drain?
- Effects on core activities, distraction?
- Reliability of data, plan predictability?
- Morale, commitment, leadership?
- Accreditations, etc.?
- Processes and systems, etc.?
- Management cover, succession?

Opportunities

- Market developments?
- Competitors' vulnerabilities?
- Lifestyle trends?

- Technology development and innovation?
- Global influences?
- New markets, vertical, horizontal?
- Niche target markets?
- New selling points?
- Business and product development?
- Information and research?
- Partnerships?
- Volumes, production, economies?
- Seasonal influences?

Threats

- Political effects?
- Legislative effects?
- Environmental effects?
- Competitor intentions - various?
- Market demand?
- New technologies, services, ideas?
- Vital partners?
- Sustaining internal capabilities?
- Obstacles faced?
- Insurmountable weaknesses?
- Loss of key personnel?
- Sustainable financial backing?
- Economy - home, abroad?
- Seasonality effects?

If the SWOT analysis is being used to assess a proposition, then it could be that the analysis shows that the proposition is too weak (especially if compared with other SWOT data for alternative propositions) to warrant further investment, in which case further action planning, other than exit, is not required.

If the proposition is clearly strong (presumably the museum will have indicated this using other methods as well), then proceed as for a business, and translate issues into category actions with suitable ownership by team(s).

There are other ways of applying SWOT of course, depending on your circumstances and aims; for instance, if concentrating on a department rather than a whole business, then it could make sense to revise the six categories to reflect the functional parts of the museum, department, project or whatever will enable the issues to be translatable into manageable, accountable, and owned aims.

In summary:

- Strengths need to be maintained, built upon, or leveraged.
- Weaknesses need to be remedied or stopped.
- Opportunities need to be prioritized and optimized.
- Threats need to be countered or minimized.