## Assess the Situation

Assessing the situation provides an objective view of the external and internal environments. It generates concrete information that leads to better understanding about the agency’s challenges, opportunities, assets, capabilities and weaknesses. This section provides a number of ways to analyze the internal and external context. While it may not be possible to complete all of the components, every organization should at least complete a review of external opportunities and threats, and internal agency performance as part of the strategic planning process.

It is important to remember that assessing the situation is not an end in itself. Its primary purpose is to generate information that helps stimulate thinking and insights that, in turn, lead to the best possible strategic choices.

###### EXTERNAL ENVIRONMENTAL ANALYSIS

### Review of Opportunities and Threats

A review of opportunities and threats identifies those conditions, events and trends - such as changing client needs, increased competition or new regulations - which will have a significant impact on the agency. The intent is to make strategic choices that will take advantage of opportunities and reduce, mitigate or eliminate threats. By understanding opportunities and threats, organizational leaders can proactively create the future, rather than just react to it.

Opportunities are defined as those factors, events, circumstances or trends which could produce benefits for the agency. Threats are probable events, conditions or trends that could limit the agency’s possibilities or produce significant damage. Keep in mind that some opportunities, if ignored or missed, may become threats. As well, threats that are effectively addressed can turn into opportunities.

The identification of opportunities and threats can also emerge through an analysis of potential allies and competitors in the community. Identifying other organizations which share common values, missions and goals may provide an opportunity to build partnerships, alliances and collaborations, or engage in joint programming and cross agency referrals. Identifying those organizations which compete for clients, funders, donors, Board members and other volunteers may uncover potential threats to your agency.

The gathering of information for the external environmental analysis can be a thorough and in-depth review based on formal research, or an informal process drawing knowledge and views from select stakeholders (e.g. Board and staff).

###### EXTERNAL ENVIRONMENTAL ANALYSIS

### Benchmarking/Best Practices

The purpose of benchmarking is to learn about the ‘best’ performers in order to measure the success of the agency. This research, combined with other information about best practices, can be used to measure the agency’s performance against objective industry standards, set reasonable goals and expectations against those standards and generate innovative ideas.

It is important to use the information gathered through the benchmarking/best practice exercise carefully. The information may be skewed because it’s not comparing ‘apples with apples’ or does not paint a complete picture. Best practice information is best used as an indicator or guideline for generating innovative ideas and new approaches.

###### INTERNAL REVIEW

### Needs Assessments and Satisfaction Surveys

A needs assessment is a formal analysis of the needs of the people for whom the programs and services are designed. It answers the question: what are the problems, issues, interests or ‘wants’ of the specific population we serve? It is important that the information is statistically sound, obtained from credible sources and not just based on the perceptions of a few staff or Board members.

The needs assessment should look at current needs and how they are changing as a result of, for example, the success of programs and services, external opportunities and threats, and advances in program models and research. It should also examine the needs of those who aren’t currently being served by the agency, but would fit within its mandate or mission. It may be discovered that the agency can have an impact on a broader or larger market if it makes program/service alterations.

A satisfaction survey looks at the level of satisfaction of various stakeholders with their involvement in the agency. It also provides valuable insight into how each of the stakeholder groups views the agency. Stakeholders include: Board members, staff, volunteers, clients, funders/donors and community partners.

If needs assessment or satisfaction surveys have been completed, then it is important to review their findings, make observations and draw conclusions about what they tell the participants in the strategic planning process about future directions.

###### INTERNAL REVIEW

### Performance Review

A performance review is a rigorous, fact based assessment of how the agency is performing, both at the time of the analysis, and over the last 3 -5 years. It allows the agency to protect and build on its strengths and improve and/or eliminate areas of weakness. It is one of the most important steps in the strategic planning process.

The performance review should be evidence-based and draw from performance measures such as: the number of people that are served or attend programs; the direct and indirect costs of providing services; and the growth or decline in revenues or expenses. In looking at performance, it is important to evaluate both effectiveness and efficiency because it can’t be presumed that if one is achieved, the other follows. Effectiveness relates to the impact the programs and services are having on the people served and the ability to meet their identified goals. Efficiency looks at such areas as turnaround times and cost benefit analysis.

In order to lead to the best possible strategic decisions, the information must be accurate and comprehensive. It is important to present the information in a way that generates objective observations that aren’t skewed by individual history, attitudes, assumptions and values. Also, it is important to look at both the good and bad news. While this may be intimidating, it will ensure the strategic directions and goals are addressing the right problems.

###### INTERNAL REVIEW

### Organizational Review

An organizational review is similar to a performance review, but focuses on whether the organization has the capacity to effectively and efficiently fulfill its mission. The review focuses on the organization behind the programs, including the management, governance, structures, resources, systems, culture and relationships.

The organizational review should focus on all aspects of the agency because they are interconnected. For example, an analysis that only focuses on one aspect may identify the issue as poor communication. However, a review of all the aspects may reveal that communication is breaking down because of a lack of clarity about roles and

responsibilities, and high stress levels in the work environment.

The review can be either a formal systematic evaluation of agency performance, or an informal assessment. A formal, in depth review will produce more reliable information, but can take time and resources to complete. There are a number of resources available for a formal review, such as *Benchmarks of Excellence for the Voluntary Sector* and the MOHLTC’s *Operating Manual*. An informal review is easier and less costly but gives participants less confidence that the real issues have been uncovered. Even with an informal review, it is important to get a variety of views so perceptions are not skewed to one perspective.

###### INTERNAL REVIEW

### Historical synopsis

An historical synopsis is an account of significant events that have happened in the life of the agency. It identifies occurrences in the past which offer insight into how the agency has become what it is today. It includes a description of major milestones, events or changes and the impact those have had on the agency.

For example, if the goals require significant change within the agency, such as the elimination of a program, the development of a new program or a revision in the governance structure, then it is important to consider the resource, morale, and systems implications.