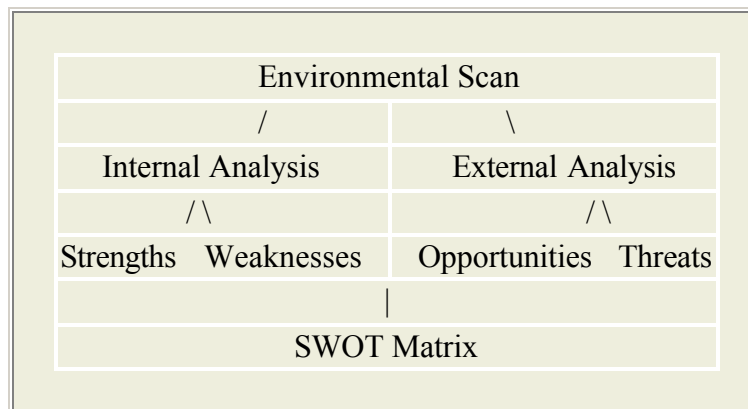


SWOT Analysis

A scan of the internal and external environment is an important part of the strategic planning process. Environmental factors internal to the firm usually can be classified as strengths (**S**) or weaknesses (**W**), and those external to the firm can be classified as opportunities (**O**) or threats (**T**). Such an analysis of the strategic environment is referred to as a **SWOT analysis**. In the Archdiocese, we have used the term **CLOS analysis** (external (**C**) challenges and (**O**) opportunities and internal (**L**) limitations and (**S**) strengths).

The SWOT analysis provides information that is helpful in matching the firm's resources and capabilities to the competitive environment in which it operates. As such, it is instrumental in strategy formulation and selection. The following diagram shows how a SWOT analysis fits into an environmental scan:

SWOT Analysis Framework



Strengths

A cluster, parish or school's strengths are its resources and capabilities that can be used as a basis for developing an [advantage](#). Examples of such strengths include:

- the territory being served
- strong identifiable staff
- good reputation among parishioners
- cost advantages based on the physical plant

Weaknesses

The absence of certain strengths may be viewed as a weakness. For example, each of the following may be considered weaknesses:

- the territory being served
- poor reputation among parishioners
- high cost structure
- lack of staff or programs
- inadequate physical plant/parking

In some cases, a weakness may be the flip side of a strength. Take the case in which a parish has a large Church or school. While this capacity may be considered a strength it also may be considered a weakness if the large investment in the buildings prevents the parish from reacting quickly to changes in the strategic environment.

Opportunities

The external environmental analysis may reveal certain new opportunities for growth. Some examples of such opportunities include:

- an unfulfilled need of the people (such as eldercare or affordable quality day care)
- arrival of new technologies
- loosening of policies or rules governing how a parish can cooperate with neighbors

Threats

Changes in the external environmental also may present threats to the firm. Some examples of such threats include:

- shifts in parishioners' tastes away from Catholic schools
- emergence of alternatives to Sunday worship
- new policies
- increased barriers to access to the parish

The SWOT Matrix

A parish may have a better chance at developing a competitive advantage by identifying a fit between the parish's strengths and upcoming opportunities. In some cases, the parish can overcome a weakness in order to prepare itself to pursue a compelling opportunity.

To develop strategies that take into account the SWOT profile, a matrix of these factors can be constructed. The SWOT matrix (also known as a **TOWS Matrix** and a **CLOS analysis**) is shown below:

SWOT / TOWS/CLOS Matrix

	Strengths	Weaknesses
Opportunities	S-O strategies	W-O strategies
Threats	S-T strategies	W-T strategies

- **S-O strategies** pursue opportunities that are a good fit to the parishes' strengths.
- **W-O strategies** overcome weaknesses to pursue opportunities.
- **S-T strategies** identify ways that the parishes can use its strengths to reduce its vulnerability to external threats.
- **W-T strategies** establish a defensive plan to prevent the parishes' weaknesses from making it highly susceptible to external threats.