

## How to perform a needs assessment

In order to plan effectively, organisations should first consider what they're doing and what's going on around them. A needs assessment is a useful tool for organisations that are ready to think about their current situation, their future goals, and what it will take to reach their aims. A needs assessment helps to clearly define the direction in which an organisation wants to go and to highlight areas which will require additional funding; it is therefore critical for establishing fundraising goals.

### Why do a needs assessment?

- To gain a better understanding of your organisation's strengths and weaknesses.
- To help your organisation develop specific aims to address the assessed needs.
- To create a structure and framework that can guide day-to-day decisions.
- To have a point of comparison for future assessments.
- To save time over the long run.

The overall process of conducting a needs assessment consists of three steps: obtaining information, analysing data and formulating aims.

### Obtaining information

To get the most out of your needs assessment, include staff members from different departments and levels of your organisation. This will give you a more complete overview, and will remind everyone that they are all important to the organisation. You can collect input in a number of ways:

- One-on-one or small group discussions
- Departmental group sessions (might be more effective for a larger organisation; representatives can then provide the outcomes to their respective departments)
- Employee survey or questionnaire

Past documentation can be used with or instead of staff consultation. By comparing the past to the present, you can see the direction in which your organisation has moved and whether it has been successful in achieving its goals. Past documentation can also help you determine future aims by offering insight on strategies that have worked in the past and whether funding sources have increased, decreased or remained the same. When looking through your organisation's archives, ask yourself:

- Which are the most/least reliable sources of income?
- Which have the most potential for growth?

Past financial records can serve as a good basis for predicting what will happen financially in the next three to five years; however, other external and internal factors such as the economy, staff capacity and motivation and political climate can also affect funding streams.

### Analysing data

Once all your data has been collected, it should be analysed in a systematic way to ensure that it can be processed and fully understood. An effective tool for this step is the 'SWOT analysis'. SWOT stands for Strengths, Weaknesses, Opportunities and Threats and has both an internal and an external focus.

**Why use SWOT?**

- Easy to use
- Simplifies complex situations
- Can be done alone or in a group
- Free
- Saves time

Group sessions are often the most effective way of doing a SWOT analysis. Ask participants to prepare in advance; the individual results can then be merged in the group session.

**SWOT analysis table**

	<b>Strengths</b>	<b>Weaknesses</b>
Internal		
	<b>Opportunities</b>	<b>Threats</b>
External		

For the section devoted to internal examination, an organisation should reflect on what it's good at and what it needs to improve; or, put simply, its strengths and weaknesses. To get the most out of this, ask lots of different people within the organisation. Each person will contribute a new viewpoint and help to create a fairer, more accurate overall picture.

When you enter internal strengths and weaknesses into the chart, highlight possible causes as well. This will help you to find a solution or maximise or reduce their effects.

The external part of this assessment consists of opportunities and threats. Think about external influences that could help or hinder the success of a project and note them in the appropriate section of the table.

SWOT analysis usually generates a multitude of views. These should all be recorded in the group's brainstorming notes; if needed, they can be weighed according to importance. This exercise doesn't require consensus; rather, a SWOT helps to identify a wide range of factors which are generally at the root of complex issues.

Once the table is completed, you will have an overview of your organisation's current situation. Note that since external factors change over time, it is important to regularly reevaluate these and assess whether they have had an effect on your organisation's aims.

The second stage of a SWOT analysis is to focus on strengths and weaknesses in isolation. For instance:

Topic: .....	Strengths	Weaknesses
<b>Opportunities</b>	Capitalise on: -	Improve: -
<b>Threats</b>	Monitor: -	Eliminate: -

Take all the strengths and their causes and divide these into potential opportunities and threats. For example, if an organisation has identified 'a collaborative work approach' as a strength, this could also pose a threat: too much collaboration may lead to inefficient use of time. This would therefore be noted in the strengths and threats section and should be monitored.

Repeat the process for weaknesses. For instance, an organisation that has identified 'use of modern technology' as a weakness might list it under weakness and opportunities, since if it were improved, it may help the organisation to improve the service it provides.

Having each strength and weakness in a clearly defined zone shows how your organisation can proceed. The diagram will help you identify specific fundraising aims by highlighting where investment is needed to capitalise or improve on opportunities and where it is not.

### Formulating aims

Now that you have a clear picture of what your organisation needs, you can begin to specify your organisation's goals for the future. It is important to be realistic. This can be more difficult than it seems; being ambitious will help your organisation develop, but being overambitious can cause people to lose motivation and may ultimately lead to disappointment.

The goals your organisation sets will often require funding, and will therefore dictate your organisation's fundraising goals as well. A fundraiser's focus will be based on the results of a needs assessment and will be the foundation for finding new funding prospects. It is, however, important that external factors are also taken into account along with the previous year's fundraising results, as circumstances may change.

A common way of establishing a fundraising goal begins with a look at the previous year's fundraising results, then at next year's operating budget. The next step is to project a reasonable increase, which usually lies between 10 and 20 percent. The goal, then, is a compromise between the operating budget and the 20-percent factor; this is almost never less than the previous year's.