



# SWOT Analysis: Purposes and Guidelines

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Karin Millett, Senior Researcher/Advisor

Joerg Simon, Senior Investment Promotion  
Advisor

Millennium Cities Initiative, Earth Institute,  
Columbia University, New York

# SWOT Analysis

- ❑ SWOT Analysis should ideally be carried out at three levels:
  - ❑ The Location 'Audit' identifying the Strengths (S) Weaknesses (W) Opportunities (O) and Threats (T) of the city or region that wants to attract investment, both local and foreign.
  - ❑ The Sector SWOT that takes this analysis to the level of the particular sector or sub-sector in which investment is sought.
  - ❑ The Organizational SWOT that seeks to identify whether existing or planned organizations or agencies charged with attracting investment have what they need (budget, skilled and knowledge experts, ability to service investors needs, etc.) to be able to target and win new investment.

# SWOT Analysis/Location Audit and Sector SWOT

- Who should be involved in ‘location audit’ and sector SWOT Analysis?

Ideally it should be a representative group that includes, at a minimum:

- the national IPA
- the key city officials (e.g., mayor, council members)
- city level agencies involved with promoting investment, e.g., local economic development agencies, investment councils, chambers of commerce
- representatives of private firms—local and international

Involving representatives from local universities could also be useful

## Perspective of Local Operating Companies Important

- One of the best sources of input on the key constraints to investment is the private companies operating locally.
- They are best placed to say where ‘the shoe pinches’ in terms of operating conditions for businesses and can be key sources of identifying what reforms at the local and national level would make the business environment work better.
- Private firms can also help to identifying the constraints for particular sectors, e.g., manufacturing, agro-business, tourism and the like. They can identify labor/skill issues, infrastructure constraints, inter-industry linkages, etc.

# Creating a Public Private Dialogue (PPD)

PPD is a structured mechanism to facilitate the reform process by involving a balanced range of public and private stakeholders in identifying, filtering, accelerating, implementing, and measuring policy reforms. Examples:

PPD has led directly to policy reforms around the globe. A few examples:

In **Malawi**, the National Action Group has been instrumental in tax reforms and measures to improve electricity supply.

In **Ukraine**, local-level PPD let the city administration of Krasnodon, Luhansk Oblast, to create a one-stop-shop for permits and regulation.

In **Bosnia and Herzegovina**, the Bulldozer Initiative, and SME outreach effort sponsored by the international community, succeeded in improving business regulation at a rate of 50 reforms in 150 days.

**PPD Handbook: A Toolkit for  
Business Environment  
Reformers**  
[www.publicprivatedialogue.org](http://www.publicprivatedialogue.org)

# Organizational level SWOT Analysis

- Who should be involved in the organizational level SWOT analysis?

While the 'location audit' and 'sector SWOT' should involve as many players, including private sector companies, as possible, the organizational level may be carried out with key players involved with the city level investment promotion bodies, including:

- Mayor, City Council Members
- Board of Directors of city investment promotion body
- Management and staff of city investment promotion body
- Other agencies involved in promoting investment into the city

# Organizational SWOT Analysis

- ❑ The purpose of the Organizational SWOT Analysis is:
  - ❑ to assess how well current organizational arrangements meet the need for the city to carry out proactive investment promotion
  - ❑ to identify whether the budget, skills, staffing levels, procedures, and processes, including Website, are adequate to the mandate and purpose of the agency
  - ❑ Identify potential opportunities to create partnerships and alliances to strengthen investment promotion capacity
  - ❑ Identify any threats to smooth and effective functioning of the city level investment promotion bodies

# A Practical Exercise on SWOT Analysis

- We do not have time today for a full SWOT analysis, but let us experiment with doing a ‘trial run’ on doing this so that we can prepare a fully-fledged exercise, either facilitated by us next time we are here—or carried out by you with a local facilitator.
- Let us start with the ‘location audit’ as a short example.
- Each person should take time to write on a piece of paper:
  - (i) one strength of Tabora as a location for doing business;
  - (ii) one weakness that makes it less attractive for business;
  - (iii) one opportunity that might influence business to come here in future; (iv) one ‘threat’ that could make this a less attractive location in the future.



# Results of SWOT Exercise

## Next Steps

- Use today's mini SWOT exercise to start thinking about the full SWOT you need to carry out on all three levels of the SWOT analysis you need to address.
- Remember when doing the 'location audit' and 'sector SWOT' to think about your 'competition' for investment.
- Mobile Investors have choices about where to invest, so your strengths, weaknesses, opportunities and threats should also be in comparison to other locations that an investor would consider while considering Tabora, e.g., it could be Mwanza or Arusha—or even a city in another country.

## Next Steps

- Start identifying what other locations are likely to be competing for the same investment that Tabora would like to attract.
- Start thinking about your location/sector strengths, weaknesses, opportunities and threats in relation to those other locations.
- Write down what you learn and keep the information in a file until you can do the full SWOT analysis.
- Schedule a date very soon for the full SWOT analysis and commit to carrying it out with all relevant players.



For questions, we are reachable on email at any time:

■ Karin Millett: [millettkarin@gmail.com](mailto:millettkarin@gmail.com)

**Thank you for your attention!**