Strengthening Small & Emerging CDFIs

Managing and Negotiating Change

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Agenda

- Review of the Logic Model

- Conducting a SWOT Analysis for Your CDFI

- Identifying Your Key Stakeholders and Partners

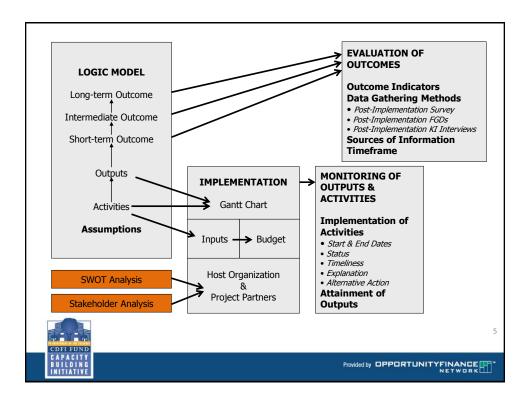- How to be an Effective Negotiator

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LOGIC MODEL

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Primary Components of the Logic Model

```
┌──────────┐
│ Project  │
│   Idea   │
└──────────┘
      │
      ▼
┌──────────┐    ┌──────────────┐    ┌──────────────┐    ┌──────────────┐
│Tentative │    │              │    │              │    │              │
│ Problem  │──▶ │  COMMUNITY   │──▶ │   PROBLEM    │──▶ │    LOGIC     │
│Statement │    │   CONTEXT    │    │   ANALYSIS   │    │    MODEL     │
└──────────┘    └──────────────┘    └──────────────┘    └──────────────┘
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LOGIC MODEL

Long-term Outcome

Intermediate Outcome

Short-term Outcome

Outputs

Activities

Assumptions

SWOT Analysis

Stakeholder Analysis

IMPLEMENTATION

Gantt Chart

Inputs → Budget

Host Organization
&
Project Partners

EVALUATION OF OUTCOMES

Outcome Indicators
Data Gathering Methods
• *Post-Implementation Survey*
• *Post-Implementation FGDs*
• *Post-Implementation KI Interviews*
Sources of Information
Timeframe

MONITORING OF OUTPUTS & ACTIVITIES

Implementation of Activities
• *Start & End Dates*
• *Status*
• *Timeliness*
• *Explanation*
• *Alternative Action*
Attainment of Outputs

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SWOT ANALYSIS

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SWOT Analysis

- Strengths, Weaknesses
  - The *internal* environment consists of your own **strengths** and **weaknesses**
    - Strengths: positive internal factors
    - Weaknesses: negative internal factors

- Opportunities, Threats
  - The *external* environment presents you with **opportunities** and **threats**
    - Opportunities: positive external factors
    - Threats: negative external factors

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Strengths

- Valuable competencies or institutional knowledge
- Valuable physical assets
- Valuable human assets
- Valuable organizational assets
- An attribute that places an organization in a position of competitive advantage
- Networks
  - Alliances with capable partners
  - Strategic position within a network

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Weaknesses

- Deficiencies in institutional knowledge, expertise or competencies
- Lack of important physical, organizational, or intangible assets
- Missing capabilities in key areas
- Weak networks
  - Lack of alliances with capable partners
  - Weak position within the network structure

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Opportunities

- A supportive political or regulatory environment
- An identified client need
- Funding availability
- Strong partners

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Threats

- Unsupportive political and regulatory environment
- Funder disinterest or hostility
- Problem your organization works on has been solved
  - You have put yourself out of business
- A lack of partners or a lack of strong partners

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The SWOT Matrix

INTERNAL FACTORS	**STRENGTHS:** What are my major internal strengths?	**WEAKNESSES:** What are my major internal weaknesses?
EXTERNAL FACTORS	**OPPORTUNITIES:** What are the major external opportunities in my field?	**THREATS:** What are the major external threats in my field?

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Importance of SWOT Analysis

- For an organization's activities and inputs to be well-conceived, it must
  – Take advantage of its internal strengths
  – Defend against its weaknesses
  – Identify the best opportunities
  – Minimize external threats to its well-being

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Tools for Strategy Formulation

	Strengths (S)	Weaknesses (W)
Opportunities (O)	**SO Strategies**	**WO Strategies**
Threats (T)	**ST Strategies**	**WT Strategies**

SO Strategies: use strengths to take advantage of opportunities
WO Strategies: overcome weaknesses to take advantage of opportunities
ST Strategies: use strengths to avoid threats
WT Strategies: minimize weaknesses and avoid threats

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KEY STAKEHOLDER AND PARTNER ANALYSIS

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What is Stakeholder Analysis?

- A stakeholder analysis is a technique you can use to **identify** and **assess** the importance of key people, groups of people, or institutions that may **significantly influence** the success of your project.

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Why Use Stakeholder Analysis?

- To identify people, groups, and institutions that will influence your project (either positively or negatively).

- To anticipate the kind of influence, positive or negative, these groups will have on your project.

- To develop strategies to get the most effective support possible for your initiative and reduce any obstacles to successful implementation of your project.

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Who and When to Use Stakeholder Analysis?

- Who: Members of project planning team.

- When: Early stages of planning, i.e., after problem analysis, and while in the process of developing your project design.

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Steps in Stakeholder Analysis
Step 1: Prepare a SHA Matrix

Stakeholder	Stakeholder Interest(s) in the Project	Assessment of Impact	Potential Strategies for Obtaining Support or Reducing Obstacles

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Steps in Stakeholder Analysis
Step 2

- Identify all the people, groups, and institutions that will affect or be affected by your project, and list them in the column under "Stakeholder."

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Steps in Stakeholder Analysis
Step 3

- Review the list and identify the specific interests these stakeholders have in your project. Consider issues like:
  - the project's benefit(s) to the stakeholder;
  - the changes that the project might require the stakeholder to make; and
  - the project activities that might cause damage or conflict for the stakeholder.

- Record these under the column "Stakeholder Interest(s) in the Project."

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Steps in Stakeholder Analysis
Step 4

- Review each stakeholder listed in Column One.

- Ask the question: how important are the stakeholder's interests to the success of the proposed project? Consider the role the key stakeholder must play for the project to be successful, the likelihood that the stakeholder will play this role, and the likelihood and impact of a stakeholder's negative response to the project. Assign:
  - A for extremely important,
  - B for fairly important, and
  - C for not very important.

- Record these letters in the column entitled "Assessment of Impact."

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Steps in Stakeholder Analysis
Step 5

- The final step is to consider the kinds of things that you could do to get stakeholder support and reduce opposition.
  - Consider how you might approach each of the stakeholders.
  - What kind of information will they need?
  - How important is it to involve the stakeholder in the planning process?
  - Are there other groups or individuals that might influence the stakeholder to support your project?

- Record your strategies for obtaining support or reducing obstacles to your project in the last column in the matrix.

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EFFECTIVE NEGOTATION STRATEGIES

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Negotiations and Power

- Negotiations defined – much broader than you think
- Conflict resolution versus settlement
- Is negotiation a process of cooperation or competition?
- The importance of relationship in negotiation

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Six Categories of Negotiating Power

The Power of:
- Skill and knowledge
- A good relationship
- A good alternative to negotiation
- An elegant solution
- Legitimacy
- Commitment

From Roger Fisher, "Negotiating Power: Getting and Using Influence," in J. William Breslin and Jeffrey Z. Rubin, eds., Negotiation Theory and Practice (Cambridge: Program on Negotiation at Harvard Law School, 1991)

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Negotiation Strategies

•The ***soft negotiator*** wants to avoid personal conflict and so makes concessions readily in order to reach agreement. He wants an amicable resolution; yet he often ends up exploited and feeling bitter.

•The ***hard negotiator*** sees any situation as a contest of wills in which the side that takes the more extreme positions and holds out longer fares better. He wants to win; yet he often ends up producing an equally hard response which exhausts him and his resources and harms his relationship with the other side.

From - Getting to Yes: Negotiating Agreement Without Giving In by Roger Fisher, William Ury and Bruce Patton, Penguin,1981.

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Key Negotiation Strategies

- Separate the people from the problem
- Focus on interests, not positions
- Invent options for mutual gain
- Insist on using objective criteria

- Yes, but what if the other side is more powerful? Or won't come to the table? Or isn't honest?

From - Getting to Yes: Negotiating Agreement Without Giving In by Roger Fisher, William Ury and Bruce Patton, Penguin,1981.

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