2. Needs Assessment Part 1: Identifying The Gaps

What is needs assessment?

Through a needs assessment process you will identify the "gaps" your organization has between the current situation of funds, services/goods and expertise and the wanted assets to accomplish the mission of the organization and run all the programs. These gaps are the needs of your organization in order to reach its objectives and goals. These needs will be finally transferred into specific fundraising goals in the process of building your fundraising plan. The needs assessment is also often 'gap analysis' or even a 'capacity development analysis' and would often follow a SWOT (Strengths, Weaknesses, Opportunities & Threats) analysis for the coming period.

The tool

Needs assessment steps
Step 1: Pick an area to focus on (and define the period too)
This exercise can be done at the level of your whole organization, or for one site, or for one specific program. It is usually easier to start small and then feed into a larger assessment for the whole organization; as long as you are clear on what the scope of the assessment is.

NB: If you decide to work program by program first, when you put it together at organization level it might be that one program or site have some resources that can be passed onto another or shared with another. So your overall needs assessment may not be simply the sum of each local one, but instead you may find synergies that will either allow you to reduce the total needs or make it more efficient to look for CSR support for multiple programs together.

Step 2: What are your targets and goals?
These should be realistic and achievable, and fit within your wider strategic goals. Once they are defined, evaluate what resources you will need to achieve them:

What is the cost of things that must be paid for?
What is required in terms of goods and services?
Do you need any expertise you don't currently have or more manpower?

Step 3: Determine the current state of things
Figure out the 'current condition', in other words the resources that you know *for sure* that you are getting for the upcoming period, in the same three categories:

Funding (include 'restricted' funding only if it is applicable to this program, plus any 'unrestricted' funding that could potentially be allocated to it – but make sure you don't allocate it to more than one program!);
In-kind support such as free goods and services already secured (include those assigned to this goal already, or ones that could be re-assigned to it);
Expertise and skills volunteering and/or non-skilled volunteering, depending on what you need, that people already promised (for people's time, take into account the fact that people change

their mind and drop off, so be conservative here and try to 'firm up' the promise as soon as possible.)

Step 4: Determine the desired future state of things
Define what the 'desired condition' would be i.e. what you would need to have to achieve your goal. For each category, define what this would include:

Funding;
In-kind support such as free goods and services;
Expertise and skills volunteering and/or non-skilled volunteering.

Step 5: Identify the gaps between the two states
Now you have a clear understanding of the attributes of your 'current condition' and 'desired condition', it is easy to identify what you need to go and look for in terms of extra resources.
What is the funding gap? What is the in-kind gap? What do you need to obtain to reach our goal?

Why and when should you run a needs assessment, and who should do it?

You should do this exercise for the time period you usually do your overall planning: for most people, January to December, especially if this is also in line with your financial year and the funding/reporting cycle for your main funders. This will make it easier to spot the gaps in your resources. It would however be advisable to do regular reviews, at least once half-way through the year, to deal with any promises of support that fell through, and adjust for new needs that arose unexpectedly, etc.

If you have just done a SWOT analysis and written a new strategic plan, this should feed into your Needs Assessment alongside your financial planning for the coming period (which includes an accounts review and a breakdown of income and expenditure projection).

This exercise has many benefits, but in particular it:

Prevents programs from failing due to insufficient resources;
Builds capacity;
Maximizes the allocation of the available resources across programs;
Focusses the staff and volunteers on what is required to achieve the goals.

This tool was adapted from the gap analysis methodology on https://creately.com/blog/diagrams/gap-analysis-tools/ and also inspired by a workshop given by http://www.2into3.com, https://www.needsassessment.org/.