

SWOT ANALYSIS

SWOT analysis is a method for identifying and analyzing/discussing internal strengths and weaknesses and external opportunities and threats (current and future potential) that shape current and future operations and help develop strategic goals.

- **Strengths:** characteristics of the organization that give it an advantage
- **Weaknesses:** characteristics that place the organization at a disadvantage
- **Opportunities:** elements in the environment that the organization could use to its advantage
- **Threats:** elements in the environment that could cause trouble for the organization

Strengths and weaknesses are usually considered *internal*, while opportunities and threats are usually considered *external*



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SWOT ANALYSIS CONSIDERATIONS: These are the types of questions that organizations may ask to guide discussion about strengths, weaknesses, opportunities, and threats.

STRENGTHS

What is your competitive advantage?
What unique resources do you have?
What are you/organization doing well?
What is our strongest/best asset?
What unique resources can you draw on?
What do others see as your strengths?
What processes work successfully?

WEAKNESSES

Where/what could you improve?
What products/services are underperforming?
Where are you lacking resources?
Where do you have fewer resources than others?
What are others likely to see as weakness?
What are you detractors saying?
Do you have gaps on your team?
What do you need to be more successful?
What processes need to be improved?
What expertise or information do you lack?

OPPORTUNITIES

What trends are evident in the marketplace?
What trends might positively impact you?
What demographics are we not serving well?
What opportunities are open to you?
What trends could you take advantage of?
How can you turn your strengths into opportunities?
Are there products/services your customers ask for that you could provide?
What are your peers doing/offering which you could provide?
What new technology can you use?
Can you expand your operations?

THREATS

How easy is it for someone to poach key employees?
How would the loss of key employees affect you?
Are there any upcoming law or regulation changes that will impact you?
What are competitors doing?
How are consumer trends changing?
Are there new regulations that potentially could harm our operations or products?
What threats could harm you?
What is your competition doing?
What threats do your weaknesses expose to you?
Can you conduct business if a natural disaster strikes?



SWOT ANALYSIS

Fill out each quadrant with the strengths, weaknesses, opportunities, and threats that are unique to the Board. Use questions from page before as a guide to provoke thought and discussion.

<p style="text-align: center;"><u>STRENGTHS</u></p>	<p style="text-align: center;"><u>WEAKNESSES</u></p>
<p style="text-align: center;"><u>OPPORTUNITIES</u></p>	<p style="text-align: center;"><u>THREATS</u></p>

2023-2025 Strategic Plan

PRIORITY GOALS	1. Enhance the benefits for the members.	2. Provide the stakeholders with a voice in plan governance.	3. Maintain the financial integrity of the plan.	4. Inform the stakeholders.
OBJECTIVES	<ol style="list-style-type: none"> 1. Add benefits that are affordable for stakeholders 2. Identify viable alternative revenue sources for benefit enhancements 	<ol style="list-style-type: none"> 1. Enhance communication media for the stakeholders 2. Maintain stakeholder confidence in the integrity of the plan 	<ol style="list-style-type: none"> 1. Maintain prudent financial policies 2. Identify additional funding mechanisms 3. Maintain the stability of contribution rates 	<ol style="list-style-type: none"> 1. Manage expectations 2. Increase member understanding of the balance between desired enhancements and fiscal realities 3. Increase member understanding of the benefits provided in LEOFF 2 Plan
TACTICS	<ul style="list-style-type: none"> • Propose legislation that improves the plan for the stakeholders • Compare plans from other states and relevant organizations • Obtain stakeholder input for needed changes in the plan • Research and monitor Federal pension and tax laws • Monitor benefits for workers injured in the line of duty • Assess, evaluate, modify, or revise existing benefits 	<ul style="list-style-type: none"> • Provide opportunities for member communication/feedback • Take a leadership role in making presentations to stakeholder groups • Solicit information about stakeholder priorities and issues • Make presentations at public hearings • Maintain a wide range of communication media such as Web site, newsletter, and conference outreach • Inform stakeholders about opportunities for communication/feedback 	<ul style="list-style-type: none"> • Adopt adequate contribution rates • Adopt financially sustainable budget for board operations • Adopt economic assumptions, actuarial tables and cost methodologies • Commission independent audits • Research other options for revenue • Identify best practices from other states and organizations • Consult with strategic partners regarding rate stability • Ensure the reliability of rate projections • Provide information on the fiscal reality of the plan • Promote Fiduciary education 	<ul style="list-style-type: none"> • Provide stakeholder access to understandable fiscal and policy analysis • Provide additional DRS LEOFF 2 seminars and workshops throughout the state • Develop simple and direct forms of communication to the members • Provide comparison information to best practices in other states • Provide the LEOFF Actuarial Valuation Report as a tool for members

MEASURES

Goal	Method of Measurement	Target
4	Seminars and workshops devoted to the priorities of the Board	Make a minimum of five presentations before stakeholders each year
1	Board proposals that are approved by the Legislature	100% approval rate
1 & 2	Research supporting proposals	Every proposal includes a research component
2 & 4	Comprehensive communication program with targets and schedule	
2 & 4	Feedback from the membership	Conduct outreach at 4 stakeholder conferences Conduct expectation interviews/surveys with Trustees
2 & 3	Independent audits: <ul style="list-style-type: none"> Board expenses Actuary's assumptions 	Audit Targets <ul style="list-style-type: none"> Board expenses—no findings Actuary's assumptions—performed on timely basis
3	Deviation from the expected long-term cost of the plan	Maintain deviation within 10% of long-term cost
3	Current and appropriate funding policies	Review, revise and adopt funding policies for LEOFF Plan 2
3	Funded ratio under actuarial standards	At least 100%
3	Actual performance vs. projections in key planning areas	Actual expenditures will not exceed projected expenditures
2 & 4	Newsletter	Minimum of two per year

What do you see as the greatest risk to the plan?

- With the strength of our plan the legislators may look to fill budget shortfalls.
- Increasing retirements and lowered new hires.
- Potential legislative efforts to alter contributions adopted by the Board in response to decreased tax collections caused by the COVID crisis.
- Over promising new or expanded benefits without making commensurate adjustments to contribution rates.
- Establishment of socialized medicine causing an immediate mass retirement of those members between age 50 & 65 (Medicare eligibility) who remain employed due to availability/affordability of medical coverage.
- Sudden reduction in membership and participants.
- A repeat of the 2007-2008 downturn.
- Unsure

What do you see as the greatest strength of the plan?

- Our funding status
- LEOFF2 Management
- Adoption by the Board of conservative, stable contribution rates that result in funding levels that don't put benefits at risk and that are able to weather economic downturns without having to increase rates during those downturns.
- Adherence to fiscally responsible and actuarially sound management.
- Performance, reputation, 95% of the legislature has no institutional memory of plan governance prior to I-790 & the fact that legislative members are on the L2B.
- Management
- The LEOFF 2 staff
- Member strength and relationships with elected officials