

METHOD SWOT AND PESTEL



Area of CoP Activity: Learning and Developing Practice
Taking Action as a Community

CoP Lifecycle Phase: Inquire
Sustain

CoP Success Factor: Learning
Sharing Best Practice
Supporting Tools and Resources
Strategy

EIGE Step: Step 1: Getting Started
Step 2: Analysing the state-of-play in the institution

Group Size: 8-12 people

Difficulty Level:

Time Needed:

Facilitator Preparation:

Participant Preparation:

Description: SWOT and PESTEL facilitate the identification of external and internal factors that ought to be considered when planning a project or an activity. These analytical tools can be used together or on an individual basis, but here as part of the co-creation toolkit, they will be presented as a group activity to support planning of strategy and action and making decisions. These activities can be successfully conducted online.

More Information: www.unicef.org/knowledge-exchange/index_83128.html

SWOT AND PESTEL¹

Short description

SWOT and PESTEL facilitate the identification of external and internal factors that ought to be considered when planning a project or an activity. These analytical tools can be used together or individually, but here as part of the co-creation toolkit, they will be presented as a group activity to support planning of strategy and action and making decisions. These activities can be successfully conducted online. If using flipchart, ensure it is within the reach of the web camera. Alternatively, explore the available options in the online communication platform to use co-creation tools in real time.



ADAPTABLE
ONLINE

When to use

Use these combined methods or each method separately every time you want to understand your external and internal factors for better planning and decision making.

How to

A: Brief description

SWOT

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. Strengths and Weaknesses are internal, as they exist inside the organisation or within the consortium, or within the CoP). On the other hand, Opportunities and Threats are external factors, which exist outside the organisation.

It is possible to start the analysis from S and W, however, you could also start with the external factors, O and T, and then move to the internal ones. This may enable a sharper focus on results, and may help to identify the 'critical threats' (i.e. those that are related to corresponding weaknesses) and which opportunities are promising opportunities (i.e. those that are related to corresponding strengths).

It is important to clearly define the objectives of the analysis linked to the project or plan, and they have to be well understood by participants. Objectives provide a perspective, from which the external and internal factors can be identified as Strengths or Weaknesses, Opportunities or Threats. Different objectives of the same project or plan can colour the SWOT analysis in very different ways.

PESTEL

PESTEL takes SWOT further by focusing on specific types of issues that may have an impact on implementation of project/ plans.

PESTEL stands for Political, Economic, Social, Technological, Environmental and Legal. It helps to identify the factors in each of these areas that are relevant to your project or plan. What PESTEL enables particularly well is identifying trends, which can help to proactively anticipate change, rather than being reactive or passive towards it.

It is recommended to use PESTEL and SWOT together. This is because if your project context is rich and complex, then PESTEL will be particularly valuable in identifying factors which SWOT on its own would not be able to elicit.

Applying PESTEL is uncomplicated. Just pay attention to steps 2 and 5 for an enhanced analysis with PESTEL.

¹ Adapted from https://www.unicef.org/knowledge-exchange/index_83128.html

B: Detailed step-by-step guide

The steps below are for SWOT. The more time you have for the SWOT, the more time you should spend on the analysis and discussion steps (steps 5-9 below). If you decide to also include PESTEL, then you will need to prepare additional research before the session. It is a good idea to have a rapporteur helping you facilitate the session.

1. Provide a short and clear statement of the project/plan objectives to be analysed in the SWOT. The statement should be no longer than one paragraph. Cut down on the detail and include only the gist of the project/plan objectives and expected outcomes.
2. Invite participants (about 8-12) who are involved in the project/plan/decision. You can share with them prior to the meeting, the statement of the objectives. Help the participants prepare for the SWOT in one of the two following ways:
 - a) Option 1: Ask some or all participants to conduct PESTEL research and to share their findings with you a few days before the meeting. For example, assign each of the domains to one person only, or split them among 2-3 people, or give it to one person who is very familiar with the context to cover them all. Ask for a simple list of the key factors for each domain with enough information to define each of them, such as a sentence, or a brief paragraph. As a suggestion, PESTEL research for one domain could be as long as half a page or a few pages.
 - b) Option 2: Ask participants to think about SWOT before the event.
3. Start the meeting and quickly describe the method. Ensure your rapporteur is ready, as their notes will enrich the flipchart notes that you will write during the meeting.
4. Make sure the group understands the objectives and outcomes to be analysed in the SWOT, and which group/team (institution, CoP) would take action to implement them.
5. Brainstorm the external categories (Ts and Os):
 - a) If you are using PESTEL alongside SWOT, then PESTEL results which have been researched by the participants should be the starting point. Share the findings of PESTEL factors by displaying them all at once on board/flipchart/wall so that everyone can see or use PowerPoint. Ask other participants to enhance and broaden the PESTEL findings by thinking of other factors. Next, brainstorm Os and Ts for each PESTEL factor. Note down the results on flipchart sheets. At this stage you are looking for lots of relevant ideas. Once all the PESTEL factors have been discussed, ask the group to identify any further unexplored Ts and Os. You can prompt them using the questions in section 4. Additional ideas/ information below.
 - b) If you are not using PESTEL, just brainstorm the Ts and Os, using the relevant questions (from section 4). Elicit plenty of ideas without filtering for importance yet. Use sheet(s) of flipchart paper for each category.
6. Next, brainstorm the internal categories (Ws and Ss), again using the suggested questions (in section 4) as prompts, and eliciting plenty of relevant ideas.
7. The next part of the activity is to rank the SWOT factors by their perceived importance, which is linked to the potential impact on the objectives and outcomes of the project or plan, and also its likelihood. When the participants have brainstormed all the SWOT factors, you will have produced four lists for each factor. Display the list sheets for participants to see them. Next, rank the ideas by importance, and mark each idea with an agreed symbol to illustrate the group's opinion, e.g. ++ for very important factors, + for less important factors, or 0 for unimportant ones. This ranking discussion should be informal, for example, ask for a show of hands, but written ballots for ranking are not appropriate. Or give all participants sticky dots/post-it notes with 3 different colours and ask them to assign their ratings to each of the ideas.
8. Next, elicit a discussion how the highly rated items in the categories relate to each other. For example, a particular strength may be actually linked to a certain opportunity, or a particular threat may be exacerbated, because of a certain weakness. This is more effective if you PESTEL has been used and discussed Ts and Os first. This is because PESTEL factors will make the impact of various Ss and Ws clearer.

9. The following step is recommended, although optional: before you finish, if your group has change-implementing/decision-making power, try to outline a short action plan based on your analysis and on the objectives of the project or plan you have analysed. If your group hasn't got any change implementing/decision-making powers, suggest a few possible action points. If the objective of the session was to make a yes or no decision, summarise your recommendation and reasons. Your action plan or your recommendation should include the following:

- a) How to pursue opportunities;
- b) How to overcome, prevent or avoid threats;
- c) How to use or capitalise on strengths;
- d) How to overcome, minimise or compensate for weaknesses.

10. Follow-up. After the SWOT, write a summary with decisions and recommendations, which are based on the flipchart sheets and notes from the rapporteur, and distribute it to participants, decision-makers and other relevant parties.

4. Additional ideas/ information

Factors to consider in PESTEL

Distribute these factors and mind prompts with those who you have asked to conduct the analysis and ask them to identify specific examples in the context of the project or plan that will be analysed in the official session. These PESTEL factors have relevance only in the specific operational context, so only focus on the ones that could impact your project/plan and use them for the analysis.

Political

- Government policies: National, state/provincial, local, other.
- Government resource allocations.
- Stakeholder needs or demands.
- Lobbying/campaigning by interest groups: local, national, international. Influences/pressures from international actors, e.g. other governments, international organisations, etc.
- Changes in power, influence, connectedness of key relevant actors/groups.
- Expected direction of future political change: future policy prospects; upcoming elections and possible change in government (local, state, national) and its consequences; other relevant political trends.

Economic

- Economic situation: local, national, regional, global.
- Economic situation of specific relevant communities or population groups (including employment, taxation, mobility, etc.).
- Economic situation and prospects of any relevant industries.
- Infrastructure: local, national, other.
- Financial situation of key partners or other relevant entities.
- Availability of private sector resources relevant for the project/initiative.
- Expected direction of economic change: prevailing economic trends, trade and market cycles; expected economic interventions by governments and their consequences; other relevant economic trends.

Social

- Demographics and population trends.
- Public perceptions (of an issue, an initiative, an organisation or other actor).
- Relevant customs, traditional beliefs, attitudes (e.g. towards children, adolescents, gender, etc.).
- Media views.
- Role models, celebrities, spokespersons.
- Knowledge, attitudes and practices of a particular population group (with regard to a relevant issue).
- Potential for knowledge exchange.
- Migration (which also has political, economic and legal dimensions).
- Major relevant events (upcoming or already happening) and cultural trends.
- History, to the extent that it affects social attitudes and perceptions.

- Factors in social identity, e.g. religious, socio-ethnic, cultural, etc.
- Dynamics of how social change happens in the given context.
- Management style, staff attitudes, organisational culture (within a major relevant organisation).
- Expected direction of social change: broad trends in change of social attitudes (e.g. towards a relevant issue); other relevant social trends.
- Credibility of information sources or communication channels (e.g. media outlets, well-known individuals, etc.) among a target population. Reach of information sources/communication channels among a target population.

Technological

- Population groups' access to technologies.
- Patterns of use of existing technologies (which may be changing, e.g. evolving use of mobile phones).
- New technologies that could impact the context significantly, or that could be used to achieve objectives.
- Technologies and related infrastructure/manufacturing / importing requirements for an initiative to succeed.
- Possible replacement/alternative technologies.
- Potential for innovation.
- Technology transfer, access, licensing issues, other issues related to intellectual property rights.
- Foreseeable technological trends: economic and social impact of adoption of existing technologies; rate of technological change; other technological trends.

Environmental

- Environmental impacts of planned or ongoing activities.
- Trends or expected future developments in the environment.
- Geographical location.

Legal

- Human rights (gender rights).
- Existing legislation having an impact on any relevant factors (economic, social, technological, environmental or other factors relevant to the issue), or affecting population groups relevant to the issue, or impacting the work of the organisation or its partnerships.
- Pending or future legislation.
- International treaties/agreements, either existing or in preparation.
- Standards, oversight, regulation and regulatory bodies, and expected changes in these.
- Ethical issues.

REFERENCES

SWOT and PESTEL. 2015. Available from: https://www.unicef.org/knowledge-exchange/index_83128.html.