SWOT & PESTLE GUIDANCE

SWOT

Businesses or projects routinely use a planning tool called SWOT to identify:

- Strengths
- Weaknesses
- Opportunities and
- Threats

SWOT is usually represented by this grid, where; as a team, members think about each part in turn, discussing how it relates to the business.

Strengths	**Weaknesses**
What advantages the business has over others.	What disadvantages the business has compared to others
Opportunities	**Threats**
Areas that can be exploited to bring benefit	Areas that could cause trouble

PESTLE

SWOT is usually used in conjunction with another tool called PESTLE which prompts a business or project to look at external factors that could result in positive or negative impacts. PESTLE means:

- Political
- Economic
- Socio-Cultural
- Technological
  Legal
- Environmental

Factors to consider when discussing these areas include (but are not limited to);

Political Factors to Consider:

- *Changes to Government both Local and National*
- *Could any pending legislation or taxation changes affect our business, either positively or negatively?*
- *How does Local or National Governments approach to corporate social responsibility, environmental issues?*
- *Are there any other political factors that are likely to change?*
- *Government stability/instability*
- *Corruption level*
- *Tax policies*
- *Freedom of press*
- *Government regulation and deregulation*
- *Special tariffs*
- *Political action committees*
- *Government involvement in trade unions and agreements*
- *Competition regulation*
- *Voter participation rates*
- *mount of government protests*
- *Defence expenditures*
- *Level of government subsidies*
- *Bilateral relationships*
- *Import-export regulation/restrictions*
- *Trade control*
- *Lobbying activities*
- *Size of government budgets*

Economic Factors to Consider

- *The stability of the economy?*
- *Exchange rates are they stable or volatile?*
- *What are the local wage levels?*
- *The company cash flow and access to credit is this a concern?*
- *How is business environment, we operate in, affected by increased globalisation?*
- *Growth rate*
- *Interest rate*
- *Inflation rate*
- *Exchange rate*
- *Availability of credit*
- *Level of disposable income*
- *Propensity of people to spend*
- *Federal government budget deficits*
- *Gross domestic product trend*
- *Unemployment trend*
- *Stock market trends*
- *Price fluctuations*

Socio-Cultural Factors to Consider

- *What is the employees' age profile?*
- *How will this affect the company?*
- *Are generational shifts in attitude likely to affect what you're doing?*
- *What is the employment situation? Is there a skilled workforce available in the market?*
- *Will it be difficult to retain key staff?*
- *What social attitudes could affect our business?*
- *Population size and growth rate*
- *Birth rates*
- *Death rates*
- *Number of marriages*
- *Number of divorces*
- *Immigration and emigration rates*
- *Life expectancy rates*
- *Age distribution*
- *Wealth distribution*
- *Social classes*
- *Per capita income*
- *Family size and structure*
- *Lifestyles*
- *Health consciousness*
- *Average disposable income*
- *Attitude towards government*
- *Attitude towards work*
- *Buying habits*
- *Ethical concerns*
- *Cultural norms and values*
- *Sex roles and distribution*
- *religion and beliefs*
- *Racial equality*
- *Use of birth control.*
- *Education level*
- *Minorities*
- *Crime levels*
- *Attitudes towards saving.*
- *Attitude towards investing.*
- *Attitudes towards retirement*
- *Attitudes towards leisure time*
- *Attitudes towards product quality*
- *Attitudes towards customer service*
- *Attitudes towards foreign people*

Technological Factors to Consider

- *Are there any new technologies that we could or should be using?*
- *Are there any new technologies on the pending that could radically affect our work or our industry?*
- *Do our competitors have access to new technologies that could affect their competitiveness?*
- *Is their government or educational institution research being done? Is there anything we can do to*

take advantage of this?
- *How infrastructure changes affected work patterns have (for example, levels of remote working)?*
- *Are there industry forums which we can work with or learn from?*
- *Technology incentives*
- *Automation*
- *R&D activity*
- *Technological change*
- *Access to new technology*
- *Level of innovation*
- *Technological awareness*
- *Internet infrastructure*
- *Communication infrastructure*
- *Life cycle of technology*

Legal Factors to Consider

- *HSE and working time directives how will these change in the future?*
- *Our working time patterns have changed, reducing the hours for everyone, increasing the holiday hours available over the year.*
- *Transportation legislation?*
- *Discrimination laws*
- *Antitrust laws*
- *Employment laws*
- *Consumer protection laws*
- *Copyright and patent laws*
- *Health and safety laws*
- *Education laws*
- *Consumer protection laws*
- *Data protection laws*

Environmental Factors to Consider

- *Environmental Permit?*
- *Discharge consents?*
- *Recycling requirements?*
- *WEEE policies*
- *Waste disposal partners*
- *Weather*
- *Climate*
- *Environmental policies*
- *Climate change*
- *Pressures from NGO's*
- *Natural disasters*
- *Air and water pollution*
- *Recycling standards*
- *Attitudes towards green products*
- *Support for renewable energy*

Used together, a business can produce a comprehensive list of risks and opportunities that can then be evaluated and ranked in accordance of severity in a process called Risk Assessment.

SWOT therefore relates to Quality Management as it will help the business understand the factors that impact on meeting with their business goals.

<u>Your Task:</u>

- Use your Business Goals that you identified previously.

- Take each goal in turn and complete a SWOT and PESTLE assessment.

- Use the Templates provided.

- Submit them for review and feedback.

SWOT: [Business Goal #1]

STRENGTHS	WEAKNESS
OPPORTUNITIES	THREATS

PESTLE: [Business Goal #1]

Political	Positive: Negative:
Economical	Positive: Negative:
Socio-Cultural	Positive: Negative:
Technological	Positive: Negative:
Legal	Positive: Negative:
Environmental	Positive: Negative:

Create & Complete new tables for each goal.

Submit your workbook when completed

- End of Workbook -