There are many tools available to conduct an external and internal analysis of the current environment in which an organization operates.

The most useful for building when lobbying strategy within an EO are:
- SWOT Analysis (internal & external environment)
- PEST Analysis (external environment)

The results of these strategy analysis tools should be used to review the lobbying objectives set for the organization. Where necessary, the objectives will be amended to reflect the reality of the current situation. However, more often the analysis affects how the objectives are achieved rather than resulting in a change of objectives.
Tool - SWOT & PEST Analysis

- SWOT stands for: S – Strengths W – Weaknesses O – Opportunities T – Threats

- SWOT matches the organisation’s resources and capabilities to the competitive environment in which it operates

- The aim of any SWOT analysis is to identify the key internal and external factors that are important to achieving the objective. SWOT analysis groups key pieces of information into two main categories:
  - Internal factors – The strengths and weaknesses internal to the organization.
  - External factors – The opportunities and threats presented by the external environment to the organization. A PEST analysis helps to identify external factors.

- PEST (or STEP) stands for: P – Political E – Economic S - Socio-cultural T – Technological

- PEST looks at the external macro-environment within the context of your organisation’s mission
Examples of issues addressed in a SWOT analysis:

| **Strengths** | What are we best at?  
|              | What specific skills does the workforce have?  
|              | What financial resources do we have?  
|              | What connections and alliances do we have? |
| **Weaknesses** | What are we worst at doing?  
|                  | What training does our workforce lack?  
|                  | What is our financial position?  
|                  | What connections and alliances should we have that we don’t? |
| **Opportunities** | What changes in the external environment can we exploit?  
|                  | What weaknesses in our competitors can we attack?  
|                  | What new markets/sectors might be opening up to us?  
|                  | What new technology might become available to us? |
| **Threats** | What might our competitors be able to do to hurt us?  
|            | What new legislation might damage our interests?  
|            | What social change might threaten us?  
|            | How will the economic cycle affect us? |
### Tool - SWOT & PEST Analysis

#### Strengths

- carries out strategy planning every 3 years
- strong membership base
- recognition by the government as most representative employers' body for representation in tripartite bodies
- Strong policy making framework at the management board, executive committee and branch general committees' level
- Unrivalled competence in industrial relations
- Good working relations with Labour movement and the government
- Ownership of HQs premises
- Branch network
- Positive public profile as the employers' voice
- Linkages with international organizations

#### Weaknesses

- fragile financial base
- inadequate level of professional staff
- low visibility in the market
- reluctance from members to pay market rates for services
- inadequate ICT infrastructure
- lack of documented operating systems
- inadequate technical support staff

#### Opportunities

- Pro-Growth government Policies and improved relations with the development partners
- Establishment of the East African Customs Union to foster regional trade and growth of enterprises
- Untapped business from potential members including public enterprises and export processing zones
- Expanded involvement in various donor projects within the core mandate of the Federation leading to increased income
- Increased demand for management consultancy and training services as a result of growth of industries
- Availability of opportunities for staff training through linkages with international organizations
- Adoption of ILO and other international standards

#### Threats

- involvement of the civil society organizations in industrial relations
- increasing competition in management training, consultancy and industrial relations
- emergence of business members organization and alliances claiming to be speaking for the private sector in all issues
- down-sizing of enterprises with reduction in employment levels upon which the Federation bases its annual subscriptions
- mergers and closure of businesses
- uncertainty created by the democratization process regulatory/illegal environment

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Example of SWOT Analysis done by FKE (Kenya) in 2010
## Tool - SWOT & PEST Analysis

### Strengths
- educated workforce
- commitment of members
- affiliation and support to regional and international bodies
- independence from government
- strong voice
- rising membership
- financial sustainability
- recognition from players/stakeholders/actors
- wider representation
- strong leadership
- credibility

### Weaknesses
- inadequate working tools
- retention issues – lack of competitive remuneration, structure of salaries
- lack of regional representation
- lack of training opportunities
- lack of evaluation and monitoring mechanisms
- lack of skills assessment for staff
- physical location of the organization
- lack of code of conduct for members

### Opportunities
- strength / backing from members
- collaboration with other bodies
- increased technical and financial support from regional and international bodies
- training services in parastatals and members
- more membership representation / involvement in local, regional and international meetings
- potential to expand into a training / SME information centre
- utilizing membership as a resource base

### Challenges
- competition from other associations (e.g. FESBC)
- perception from government
- perception from traditional structures, general public operating environment
- communication dissemination
- HIV/AIDS
- Economic recession
- Dual membership
- High cost of utilities
- Availability of data for use of members
- International pressure towards political reform

Example of SWOC Analysis done by the Swaziland Employers Federation and Chamber of Commerce in 2009

Lobbying and Advocacy
### Tool - SWOT & PEST Analysis

#### Examples of PEST Analysis done by IBEC (Ireland) in 2007 and 2008

<table>
<thead>
<tr>
<th>Political</th>
<th>Socio-cultural</th>
</tr>
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<tbody>
<tr>
<td>Stable</td>
<td>Social issues increasingly intertwined with business</td>
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<tr>
<td>Democratic</td>
<td>Work-life balance important</td>
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<tr>
<td>Partnership</td>
<td>High expectations</td>
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<tr>
<td>Enterprise-focused political climate</td>
<td>Increasing focus on employment rights</td>
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<tr>
<td>Strong government links</td>
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<tr>
<td>Highly regulated</td>
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<tr>
<th>Economic</th>
<th>Technological</th>
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<tbody>
<tr>
<td>Celtic Tiger</td>
<td>High level of expertise</td>
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<tr>
<td>Huge Growth</td>
<td>High usage</td>
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<tr>
<td>Knowledge economy</td>
<td>Broadband penetration</td>
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<tr>
<td>Full employment</td>
<td>High expectations</td>
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<tr>
<td>International perspective</td>
<td>Provision of ‘free’ information online</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Social</th>
<th>Technological</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low confidence</td>
<td>High level of expertise</td>
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<tr>
<td>Lack of leadership</td>
<td>High usage</td>
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<tr>
<td>Releasing for training</td>
<td>Flexible learning methods</td>
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<tr>
<td>Focus on unemployed</td>
<td>Broadband</td>
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<tr>
<td>No clear vision</td>
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<td>Anger</td>
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<tr>
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<tbody>
<tr>
<td>Unstable</td>
<td>Recession</td>
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<tr>
<td>Public finances</td>
<td>Unemployment 8%</td>
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<tr>
<td>Changing roles of state training agencies</td>
<td>Decreased funding &amp; subsidies</td>
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<tr>
<td>Low confidence</td>
<td>Job losses &amp; pay cuts</td>
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<tr>
<td>Reduced political support for training employed</td>
<td>Reduced spending</td>
</tr>
<tr>
<td></td>
<td>Training first to be cut</td>
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</tbody>
</table>