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(with up to date payments) three weeks after your start date, we'll send you an email with instructions on how to redeem your reward within 45 days. Terms and conditions apply. Creating a great product isn't enough to succeed in the business world — you need to have a plan for the future. It's essential to use data and research to identify trends and
determine how they relate to or impact your business. Armed with that knowledge, you can lay out a plan to protect your business against potential threats and remain flexible. A PEST analysis is one of the best ways to get a complete overview of the external factors that impact your business. Whether you run a local business or a massive
corporation, changes in politics, the economy, social climate, and technology significantly impact your business. These factors play a key role in decision-making by helping you identify threats and weaknesses. Whether you're just starting a business or trying to master strategic planning, a PEST analysis is a great way to get ahead. Learn more about
the definition of PEST analysis, why it's essential, and how you can conduct a PEST analysis to drive your businesses to assess external factors that influence their operations and competitive environment. A PEST (political, economic, social, and technological (PEST) analysis is a method used by businesses to assess external factors that influence their operations and competitive environment. A PEST (political, economic, social, and technological (PEST) analysis is a method used by businesses to assess external factors that influence their operations and competitive environment.
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current or possible future challenges, allowing for effective planning for how to best manage these challenges. A PEST analysis can also be applied in assessing the in-house structure of an organization in order to identify strengths and weaknesses in its internal politics, economic outlook, social climate, and technological base. The results of this
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would like. It is a good idea to perform a PEST analysis when there have been significant changes that may impact a business, such as a change in interest rates, new government policies, or the introduction of new technology. By analyzing the political, economic, societal, and technological factors that impact its business, a company can plan,
reorganize, and adjust to these external factors in order to become a more successful operation. An organization's success is not only predicated on how well it internally manages its operations, but also on how it functions in the larger world. A PEST analysis can help it succeed. In running a business, it is inevitable that you may run into such factors
that you did not expect to have a huge impact on the business. Especially when your business goes into new ventures or product launch ideas, these factors should be carefully analysed to determine how huge their impact is. Companies use a lot of analytical tools to help them assess and evaluate external factors. There is the SWOT Analysis which
also plays a big part for assessing the factors and there is the PEST analysis which the most common tool used in many companies and one of the most effective. Technology Analysis waprogramming.com Size: 69 KB Download Market PEST steconomice.uoradea.ro Size: 69 KB Download PEST Analysis Sample pmi-svc.org Size: 64 KB Download
Environmental PEST Analysis modernscientificpress.com Size: 144 KB Download What Is PEST Analysis? The PEST is an acronym for Political, Economic, Social and Technological. This analysis is used to evaluate those four factors that can affect the performance of your business analysis and determine how those factors will affect your business in
the long run. The PEST analysis is often used together with the SWOT Analysis and Porter's Five Forces Analysis. Understanding the Components of the PEST Analysis is often used together with the SWOT Analysis and Porter's Five Forces Analysis. Understanding the Components of the PEST analysis is often used together with the SWOT Analysis and Porter's Five Forces Analysis.
the business. This includes evaluating the political stability, tax guidelines, trade regulations, and employment laws. Economic factors involving economic 
details the socio-economic environment of the market. This includes studying the demographics, cultural limitations, lifestyle attitude, behavior, and education of the customers. Technologies that are used to produce the product, either on a positive or negative result and all the process that involves using the technology is evaluated
here. such as the technological advancements and the role of the internet. Risk Analysis acfs.go.th Size: 335 KB Download Free PEST Analysis free-management-ebooks.com Size: 269 KB Download Free PEST Analysis for Education worcester.ac.uk Size: 218 KB Download Why Is a
PEST Analysis Important? The main purpose of PEST analysis is to give the business a clear understanding of political, economic, social, and technological factors that can have a nuderstanding of the changes that
might occur in the market. These changes can influence the marketing plan of the business and its relationship that the company worked hard to establish. Giving time in conducting a PEST analysis and knowing the factors ahead of time will help the business in making better business decisions. The PESTLE Analysis Although the PEST analysis is
enough to evaluate the factors, many companies still use the extension of the PEST which is the "LE" that stands for Legal and Environment conditions that are believed to also have an impact on the business. Environment. The environment factor is used to
analyze anything that is made and caused by the environment, such as the climate, weather, pollution, waste management, etc. Legal. The legal factor talks about all the law that can affect the business, such as the discrimination laws, health and safety laws, consumer protection laws, and much more Add Tone Friendly Formal Casual Instructive
Professional Empathetic Humorous Serious Optimistic Neutral 10 Examples of Public speaking 20 Examples 20 Example
see climate stories told today, and what that means for your visuals. Download Our Latest VisualGPS ReportData-backed trends. Generative AI demos. Answers to your usage rights questions. Our original video podcast covers it all—now on demand. Watch NowEnjoy sharper detail, more accurate color, lifelike lighting, believable backgrounds, and
more with our new model update. Your generated images will be more polished than ever. See What's NewExplore how consumers want to see climate stories told today, and what that means for your visuals. Download Our Latest VisualGPS ReportData-backed trends. Generative AI demos. Answers to your usage rights questions. Our original video
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your visuals.Download Our Latest VisualGPS ReportData-backed trends. Generative AI demos. Answers to your usage rights questions. Our original video podcast covers it all—now on demand.Watch Now Articles5 min readQuantive is now part of WorkBoard. Get to know WorkBoard: Select SectionWhat is a PEST analysis? What are the core elements
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WorkBoard: Accounting for the external macro-environment is crucial for effective strategic planning and decision-making. Strategic frameworks like the PEST Analysis can help businesses evaluate external factors impacting their operations and long-term success. This article provides a comprehensive overview of PEST Analysis, including
its:DefinitionKey componentsUse casesExampleUsage stepsBenefitsA PEST Analysis is a strategic framework that helps businesses understand the external macro-environment that can impact their operations. It considers Political, Economic, Social, and Technological factors. Political factors: Government policies, regulations, and stabilityEconomic
factors: Economic growth, inflation, interest rates, and currency fluctuationsSocial factors: Demographics, consumer behavior, cultural trends, and social attitudesTechnological factors: Advancements in technology, innovation, and automation Note that there is an extended version of the PEST analysis named PESTLE analysis.
framework has the same objectives as the PEST analysis but extends the understanding of a business' environment by also considering Legal (L) and Environment Legal (L) 
Gas sector and the automotive industries should always favor the PEST analysis. Francis J. Aguilar, a Harvard professor in 1967, developed the PEST Analysis. He introduced this strategic framework in his book Scanning the Business Environment. Mr Aguilar's work has significantly influenced modern strategic planning and
environmental scanning techniques, making PEST Analysis a foundational tool in business strategy. You can use a PEST Analysis in several scenarios to ensure comprehensive external environment evaluation: Developing long-term strategies: If your business is planning for the future, PEST Analysis helps anticipate how external factors might
advancements, PEST Analysis helps identify trends that could create opportunities or threats. Launching new products or services: Before introducing new offerings, a PEST Analysis can help you assess how external factors might impact their success and adoption. Improving organizational adaptability: If you need to enhance your business's ability to
adapt to external changes, a PEST Analysis provides insights into the external pressures and opportunities, helping you prioritize initiatives and allocate resources effectively. Imagine FreshFoods, a company specializing in fast-moving consumer goods (FMCG), is looking to expand its market share and adapt to changing consumer preferences. Here's
how they used a PEST Analysis to help them navigate the competitive FMCG market and shape its strategies: Political factors Through their analysis, FreshFoods found increasing government emphasis on food transparency and safety. They realized that failing to meet these standards could damage their reputation and result in fines. In response,
FreshFoods enhanced its product labeling to exceed regulatory requirements, building greater consumer spending on premium products decreases during economic factorsThe company's analysis revealed that consumer spending on premium products decreases during economic factorsThe company's analysis revealed that this trend could lead to reduced sales of their
higher-end products. To address this, they diversified their product range to include more affordable options and streamlined their supply chain to manage rising production costs, maintaining competitive pricing without sacrificing quality. Social factors the research identified a significant shift towards healthier eating habits among consumers.
FreshFoods understood that paying attention to this trend could lose market share to competitors offering more nutritious options. Consequently, they developed new products to regional dietary preferences to increase
local market penetration. Technological factors The evaluation highlighted the rapid growth of e-commerce and the importance of online shopping. Fresh Foods realized that not adapting to this trend could mean missing out on significant sales channels. In response, they expanded their digital presence by enhancing their e-commerce platform, offering
convenient purchase options, and investing in automation technologies for product on and logistics to improve efficiency and product quality. Here's a step-by-step quide to help you use the PEST Analysis effectively: Step 1: Identify key factors Identify the key political, economic, social, and technologies for product on and logistics to improve efficiency and product quality.
Conduct thorough research and gather data from reliable sources to understand each factor's current and potential future states. Step 2: Analyze their impactAnalyze the potential impact of each PEST factor on your business. Consider both opportunities and threats. This involves assessing how changes in these external factors could influence your
strategic goals, operations, and market position. Step 3: Categorize and prioritize factors based on their relevance and potential impact on your strategic efforts on the most critical areas. Step 4:
Develop strategiesDevelop strategies to leverage the opportunities and mitigate the threats identified in your analysis. Create actionable plans that address each PEST factor and align with your business strategies, diversify
revenue streams. Social: Adapt marketing strategies to changing consumer behaviors, enhance corporate social responsibility efforts. Technological: Invest in new technological: Invest in new technological investing strategies with clear timelines, responsibilities, and resource allocations. Ensure
ongoing communication and support from leadership to drive the changes. Effective implementation is crucial for realizing the benefits of your strategic decision-making. These benefits include: Focused macro-environmental insight: Provides a targeted
approach to understanding the external factors that directly impact your business, giving you a clearer picture of the broader environmentStrategic planning and preparationInformed strategic adaptation: PEST Analysis encourages continuous
monitoring of external factors, helping businesses stay agile and responsive to changes in the macro-environment. This adaptability is crucial for maintaining competitiveness in a fast-moving industry sectors. Quantive StrategyAI can help you adapt your business to your its environment faster and more confidently. By providing thorough strategic
analyses on demand and mapping these to actionable strategic goals, Quantive StrategyAI can help you:Identify emerging trends within each PEST category.Quantify the potential impact of external factors on your business.Develop contingency plans to ensure you're prepared for various scenarios.Quantify the potential impact of external factors on your business.Develop contingency plans to ensure you're prepared for various scenarios.Quantify the potential impact of external factors on your business.Develop contingency plans to ensure you're prepared for various scenarios.Quantify the potential impact of external factors on your business.Develop contingency plans to ensure you're prepared for various scenarios.Quantify the potential impact of external factors on your business.Develop contingency plans to ensure you're prepared for various scenarios.Quantify the potential impact of external factors on your business.Develop contingency plans to ensure you're prepared for various scenarios.Quantify the potential impact of external factors on your business.Develop contingency plans to ensure you're prepared for various scenarios.
advisor at your side, helping you navigate the realities of your market and stay ahead of external pressure points. Quantive empowers modern organizations to turn their ambitions into reality through strategic agility. It's where strategy, teams, and data come together to drive effective decision-making, streamline execution, and maximize
                 As your company navigates today's competitive landscape, you need an Always-On Strategy to continuously bridge the gap between current and desired business outcomes. Quantive brings together the technology, expertise, and passion to transform your strategy and playbooks from a static formulation to a feedback-driven engine
for growth. Whether you're a fast-growing scale-up, a mid-market business looking to conquer, or a large enterprise looking for innovation, Quantive keeps you ahead - every step of the way. For more information, visit www.quantive.com. Additional resources Suggest a new DefinitionProposed definitions will be considered for inclusion in the
Economictimes.comDefinition: PEST Analysis is a measurement tool which is used to assess markets for a particular product or a business at a given time frame. PEST stands for Political, Economic, Social, and Technological factors. Once these factors are analysed organisations can take better business decisions. Description: PEST Analysis helps
organizations take better business decisions and improve efficiency by studying various factors which might influence a business decisions, planning marketing activities, product development and research. It is similar to SWOT analysis, which stands
for Strength, Weakness, Opportunities, and Threats.Let's study each individual factor of PEST analysis in detail. In PEST analysis in detail. In PEST analysis in detail. In PEST analysis in detail.
environment laws, etc. The letter 'E' in PEST analysis stands for economic factors. It gauges the economic environment by studying factors also help in accessing the demand, costing of the product, expansion, and growth. 'S' stands for
social factors that form the macro environment of the organisation. It includes the study of demographics, as well as the target customers. These factors help in gauging the potential size of the market. It includes study of population growth, age distribution, career attitude, etc. The letter 'T' in PEST analysis stands for technology. As we all know,
technology changes very rapidly, and consumers are hungry to adopt new technology. It involves understanding factors which are related to technology gets obsolete (Example: the operating system in mobile phones), automation, and innovation. Check out: Marketing Intelligence Definition, Exit Load
Definition, Tulip Mania Definition, Shorting Definition, Sporting Definition, Copy Testing Defin
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affect a company. PEST is an acronym for Political, Economic, Social and Technological. They are four factors that can affect a company's current and future performance. A PEST Analysis can help an organization create a long-term strategy by keeping track of the external factors. It may also help determine how these factors may affect a business
performance and growth. Useful for many types of companies This tool is extremely useful for global businesses and those that want to expand overseas. It is useful because it shows us what changes are occurring in the business environment. Additionally, it can help you decide whether to initiate or abandon a new project. Specifically, projects that
are vulnerable to factors over which you have no control. The PEST analysis can help you make a decision on how profitable a country, region, and area can be for your business. All data gathered through this tool focuses on what the business needs to do to get ahead. When making commercial and strategic decisions, we need objective analyses,
forecasts, and data. The Pest Analysis is completely objective. How to do a PEST Analysis Before using the PEST tool, it is important to understand all the factors. You can then brainstorm each one. Some factors are opportunities for the companies.
the ones that affect your business the most. You should then attribute either opportunities or threats in detail to each factors help determine to what extent government regulations and laws are influencing the business environment or marketplace. Trade
regulations, political stability, and employment laws are also important. Economic factors Economic factors Economic factors Economic factors Economic factors let senior management know which economic factors let senior management know which economic factors example, are important factors
GDP stands for Gross Domestic Product. Foreign exchange rates and businesses cycles also affect business performance. Social factors With the PEST Analysis, a company determine what is best for consumer needs. Demographics, cultural
trends, and education are some factors. So are lifestyle, age distribution, and populations and which factors make them change, such as migration, births, and deaths. Demographics are statistical data relating to human populations and groups within those populations. Technological factors With these
factors, senior management can assess how technological advances may affect the company. They can also help determine a whole industry's prospects. New technology cycle, and spending are important factors to consider. So are technology cycle, and spending are important factors to consider.
types of PEST Analyses. Choose which is most relevant to your company. PESTLE or PESTLE: Political, Economic, Social, Technological, Economic, Political, and Ecological. STEPE: Social, Technological, Economic, Political, and Economic, Political, and Economic, Political, and Economic, Political, and Economic, Political, Economic, Political, Economic, Political, and Economic, Political, and Economic, Political, and Economic, Political, Economic, Environmental
Political, Legal, and Ethical. PESTLIED: Political, Economic, Social, Technological, Legal, International, Environmental, and Demographic. Performing analyses simultaneously Business professionals often carry out different types of analyses simultaneously. They may perform a SWOT Analysis alongside a PEST Analysis. A SWOT Analysis is a diagram
that helps organizations identify key weaknesses, strengths, opportunities, and threats. With SWOT Analysis is a method used by businesses to assess
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model. Conducting a comparison between these completed analysis focuses on political, economic, social, and technological areas, whereas PESTLE adds legal and environmental factors to the analysis. These areas are considered when assessing the impact of external factors on a
company's profitability. To do a PEST analysis, you must consider the different factors (political, economic, social, and technological), and how these factors affect your business. For the economic component, you would assess laws, regulations, government policies, and tariffs, for example. For the economic component, you would assess laws, regulations, government policies, and tariffs, for example.
 assess would include access to financing, cost of living, interest rates, inflation, and labor costs. For the social component, you would assess areas such as artificial intelligence growth, innovation, research
and development, social networking, and cybersecurity. A PEST analysis can be done as often as a business would like. It is a good idea to perform a PEST analysis when there have been significant changes that may impact a business would like. It is a good idea to perform a PEST analysis when there have been significant changes that may impact a business, such as a change in interest rates, new government policies, or the introduction of new technology. By analyzing the
political, economic, societal, and technological factors that impact its business, a company can plan, reorganize, and adjust to these external factors in order to become a more successful operation. An organization's success is not only predicated on how well it internally manages its operations, but also on how it functions in the larger world. A PEST
analysis can help it succeed. In business, there's only so much you can control. You can decide which products and services you offer, how much you charge, who supplies you and whom you employ. However, many factors are entirely out of your control, and without detailed knowledge of those variables, it's a lot harder to run a successful
business. Many companies use a political, economic, social and technological (PEST) analysis to assess their business environment and understand external threats and opportunities. A PEST analysis is an assessment of the political, economic, social and technological factors that could affect a business now and in the future. The purpose of a PEST
analysis is to give a company's management team a better understanding of the market they're operating in now and how they can prepare for potential shifts, such as regulatory changes. A PEST analysis and other types of business analyses are vital decision-making tools that help entrepreneurs plan for the future. A PEST analysis covers political,
economic, social and technological factors. Here's more about each:P (political)The "P" in the analysis refers to the political factors that help or hinder a business. "We see this currently in the area of international business. "We see this currently in the area of international business."
by the economics or business side but what political relationships influence those decisions." A PEST analysis examines the following political factors: Employment regulations, bealthcare contributions, healthcare contributions and more? Are tax
authorities classifying more contractors as employees? Environment: Can profit levels be maintained if authorities demand a less-polluting products? Government policy: Are laws that a government passes conducive to businesses and, specifically, to
your business?Intellectual property protection: Do a country's laws and court systems recognize the rights of intellectual property theft?Property rights: Do you have sufficient rights to protect and exploit resources and your assets?
Stability: Unstable political environments, particularly in countries with regular (and often forced) changes of government, make planning difficult. In more stable countries, will a particular party coming to power materially affect your business and its profitability? Tariffs: If you expand your business internationally by importing materials for
production or exporting finished products to customers, how will tariffs affect your business's production costs and pricing competitiveness? Taxation: How does the current government's tax policy affect your business taxes? For example, does it impact your business's cash flow, allowable tax deductions and profit margins? Trade restrictions:
Are there sanctions (or likely sanctions) against doing business with a country you're targeting? (economic) The "E" in a PEST analysis refers to outside economic issues that can play a role in a company's success. Look at interest rates, exchange inflation, unemployment, gross domestic product, credit availability, and the rise and fall of the middle
class. A PEST analysis examines the following economic factors: Access to credit: For higher-ticket products and services, can consumers or business investment levels: Do companies in your target market regularly replace their machinery and equipment, or
do they try to make these assets last as long as possible? Cost of living: How high is the correct of living where you do business? Higher prices affect business competitiveness because they increase housing costs and require staff to be paid more to mitigate those costs. Economic growth or decline: What is the current state of the economy? If an economy
is improving, consumers and businesses will likely have more cash to purchase products or services. Economic growth triggers higher investment levels by businesses in general. Exchange rates and interest rates: What are the economic considerations for other countries that affect your businesse? Countries with more robust economics suffer fewer
currency-value fluctuations; this is important if you import or export products. In addition, these countries are more likely to have higher interest rates that dampen local inflation, although this has not always been the case since the Great Recession of 2008-2009. Tariffs and restrictions: How do tariffs and international restrictions affect your
business? Globalized countries where tariffs and restrictions have largely been removed enjoy faster economic growth and improved socioeconomic conditions for customers and staff. Inflation: What is the current level of inflation? Higher levels of inflation erode the value of money faster. In some cases, businesses may not be keen to pass on higher
costs to customers, so profits fall. Labor costs and workforce skill levels: What is the state of the labor market? A shortage may be severe enough to require companies to spend more on employee training. Market conditions: How fast
is the market growing? How big is the total market? How many competitors are in this market, and how does this affect pricing and costs? Spending more money on your products and services? Are they spending a different way — for example, moving from in-person to online spending? Tax
levels: What are the tax rates in the areas where you'd like to do business? If given a choice between two states or countries first for investment. S (social) The "S" in a PEST analysis relates to the social environment of a given industry's
market — how consumer needs are shaped and what brings consumers to the market for a purchase. "We look at what changes in culture and society are taking place," Lubrano said. "The drive to eat healthier, the drive to care for the environment, baby boomers staying in the workforce longer, adults having fewer children later in life. All of these
impact how consumers buy houses, cars, etc." A PEST analysis examines these social factors: Productive is your workforce? The more productive is your workforce? The more productive a workforce is, the more competitively your business can price productive is your workforce? The more producti
should your business take advantage of them? In the process of turning ideas into products, there is often a substantial time lapse between inception, creation and launch. Therefore, tracking trends, tastes and fashions is crucial to ensuring any new product's success. Corporate responsibility and values: What are your company's and employees'
values? It's increasingly important to Gen Z and millennials that their brands of choice support their values. Should you launch a corporate social responsibility program and implement diversity, equity and inclusion training? Division of wealth: Is there a large wealth gap? According to an often-cited 2015 study in the journal Human Relations,
economic inequality hurts organizational performance. It also affects growth in consumption rates during periods of economic decline. Education levels of your staff and candidate pool? Education levels of your staff and candidate pool? Education levels of your staff and candidate pool?
be matched by lower levels of pay. Employment patterns and job market trends: What are the job market and typical work arrangement like in your area? Many states and countries have shifted toward part-time work and self-employment, making it harder to recruit and hire employees. In addition, the type of staff you wish to recruit may be in
particular demand, leading to higher employment costs. Generations of employers may differ among generations, necessitating a change in how team members are rewarded, targeted and remunerated. Population health: Will you invest in your staff's
mental and physical well-being to reduce absenteeism and improve productivity? Population growth rate: What is the population growth rate in your area? States or countries whose populations are growing primarily through immigration may
experience slower pay-rate growth due to increased competition. Social mobility: How easy is it for workers to move up the socioeconomic ladder? States or countries with larger middle classes that are easier to enter often have higher economic growth rates and lower income inequality rates. Unionization: Is unionization common in your industry?
How might this affect the expectations of your workforce? Many employers believe that more highly unionized workforces cost more and improve employee
retention. Technology plays a massive role in business and can have positive and negative effects. Some organizations may have challenges adjusting to tech trends, including new products and services, so it's essential to assess existing and imminent technology from all angles. A PEST analysis examines these technological factors: Artificial
intelligence (AI): How will the growth of AI affect your business? AI is transforming business? Automation and productivity. What are the potential applications for your sector and business? Many sectors now automate as
many processes as possible to use raw materials more efficiently, offer better service to clients, and manufacture more products at a cheaper cost per unit. Cybersecurity and data protection: Does your business have solid cybersecurity and data protection measures in place? Cyberattacks continue to affect businesses, so companies should collect only
the data they need for operation and protect that data with robust cybersecurity practices. Disruptive technologies: What new technologies might open new markets for your company? Which of these should you invest in to grow your business? Innovation: Given the accelerated rate of technologies might open new markets for your company? Which of these should you invest in to grow your business? Innovation:
in innovation now to stay ahead of the curve, or react to competitors' innovations? Remote work: Do existing technology and infrastructure allow staff to work remotely? Are you accessing appropriate remote work tools to maximize productivity? Research and development (R&D): Should you invest in R&D in jurisdictions with significant R&D tax
credits and breaks? Social networking: Should your company invest in social media for business to promote its products and services and hire staff via social platforms? Should your company (or part of the
company) relocate to tech hubs where technological innovation is more likely because of the availability of staff, investors, suppliers, educational establishments and service providers? If you decide to move your business to a tech hub, consider the costs of employee relocation — including travel, moving and housing — when creating your plan. Now
that you know what a PEST analysis is, it's time to gather the data. Follow these steps to conduct a PEST analysis:Conduct internal research to identify what types of laws or policies affect your company. These factors may include the following:Material or product sourcing (e.g., import quotas, tariffs, price supports and subsidies, preferences)Human
resources (e.g., visas, Equal Employment Opportunity Commission requirements, vaccine requirements) Accounting and finance (e.g., Occupational Safety and Health Administration requirements) Accounting and finance (e.g., IRS requirements; tax hikes, breaks and deductions; Securities and Exchange Commission reporting
requirements) Marketing and customer demand (e.g., online business law requirements, CAN-SPAM Act) Consult an attorney or the people in charge of HR compliance, safety, reporting, finance and accounting. Each should be familiar with current and proposed laws. Determine which economic factors affect your business. If you sell consumer goods
and services, look at the consumer price index, inflation, employment, consumer confidence, disposable income and wages. If you sell business (B2B) services, such as marketing or consulting, look at unemployment and other recession measures. If you sell or buy
products as components, consider supply chain issues and tariffs. If you employ relatively low-wage workers, examine salaries and employment to determine whether you need to raise wages to attract talent. If you have conducted market research on customer or target market perceptions and demographics, this step is at least partially done. It's also
a good idea to read industry publications, which frequently highlight social factors that affect the industry as a whole. Talk to your customer service and sales staff to get feedback from customers on why they buy, return or cancel your offerings. If you have a local business, conduct a market analysis periodically to understand your potential
customers. Pew Research Center is a useful and free source of social trend research and demographic information. Although identifying technologies factors is particularly important in tech industry publications and conduct a competitive analysis to learn about new technologies
and innovative ways to deliver products and services in your field. Look for the following updates: New programming languages and methods that will make your products or service faster, more accurate or more detailedNew apps that deliver your products or service faster, more accurate or more detailedNew apps that deliver your products or service faster, more accurate or more detailedNew apps that deliver your products or service faster, more accurate or more detailedNew apps that deliver your products or service faster, more accurate or more detailedNew apps that deliver your products or service faster.
products stronger, smarter, cheaper, more convenient or more readily available f you know of significant changes in legislation or market conditions that are likely to affect your business, it's an ideal time to conduct a PEST analysis focuses exclusively on external factors, such as current and future regulations, taxes
political issues, environmental legislation and employment laws. Here's how it can help your business is intricately connected to its customers and society. By understanding the factors that can boost or reduce your success, you can get a sense of
how your business can make a difference in other people's lives. A PEST analysis informs long-term strategic planning. Conducting a PEST analysis every year helps you anticipate changes and plan for the future. You have the opportunity to prepare for shifts in the market and society in general. This will save you money, prevent lost revenue and
position you well against competitors. A PEST analysis alerts you to potential threats and dangers. When you are aware of potential threats, you can address or prevent them. Be proactive about implementing policies to gain a competitive edge, devote resources to influencing laws that may hurt your business, or make strategic alliances that give you
a stronger market position. A PEST analysis provides insight into valuable business opportunities. By keeping your finger on the pulse of the market, you can be in the right place with the right message. A well-executed PEST analysis can help your
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company successfully navigate changes in the world around it and signal new opportunities to expand into different markets and territories. Although there are many potential benefits of a PEST analysis, it can also have limitations. Consider the following drawbacks: Ever-changing environments: Because these environments are so dynamic, your

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analysis could be outdated within days or even hours. Guesswork: You must make assumptions about specific factors, so there's always a chance of miscalculation. Data overload: Because a PEST analysis involves such large data sets, it takes careful analysis to parse the data and decide how to use it to your advantage. Risk of inaccuracy: Most of the
time, you'll get your information from outside sources, so you can't be sure it's 100 percent accurate. Limit your PEST analysis to the factors that are most likely to have a material impact on your business. This focus will speed up the process and lead to a clearer course of action. A PESTLE analysis is similar to a PEST analysis, but it includes two
additional factors: legal and environmental. Legal: When examining legal factors, a company should evaluate how legal changes and interpretations could affect it, directly or indirectly, according to Daniel Feiman, managing director at consulting and training firm Build It Backwards. Feiman recommended examining lew changes, global law conflicts
and Supreme Court decisions in this portion of the analysis. Environmental regulations, such as laws surrounding endangered species, could affect the business. Feiman also suggested measuring each PESTLE factor against the following
considerations: Potential impact: Low, medium or highTime frame: Immediate, short-term or long-termType: Positive or negativeDirection of impact: Increasing or decreasingRelative importance: High, medium or highTime frame: Immediate, short-term or long-termType: Positive or negativeDirection of impact: Increasing or decreasingRelative importance: High, medium or highTime frame: Immediate, short-term or long-termType: Positive or negativeDirection of impact: Increasing or decreasingRelative importance: High, medium or highTime frame: Immediate, short-term or long-termType: Positive or negativeDirection of impact: Increasing or decreasingRelative importance: High, medium or highTime frame: Immediate, short-term or long-termType: Positive or negativeDirection of impact: Increasing or decreasingRelative importance: High, medium or highTime frame: Immediate, short-term or long-termType: Positive or negativeDirection of impact: Increasing or decreasingRelative importance: High, medium or highTime frame: Immediate, short-term or long-termType: Positive or negativeDirection of impact: Increasing or decreasing or 
opportunities and threats): A SWOT analysis allows you to identify your company's strengths, weaknesses, opportunities and threats. SWOT analysis allows you to identify your company's strengths, weaknesses, opportunities and threats. SWOT analysis allows you to identify your company's strengths, weaknesses, opportunities and threats.
objectives by analyzing its internal strategies and tactics. This analysis is especially helpful for making organizational strategy decisions. SCRS (strategy, current state, requirements and solution): An SCRS is a solution-based analysis that helps you identify the correct course of action to address a business challenge or issue. By analyzing your
business's current state and requirements, you can develop an effective strategy that will solve the problems your business faces. Using a PEST analysis to assess your business's environment, including any external threats and opportunities, is an excellent way to inform decisions and strategies. It is especially effective for larger businesses that want
to understand their place in their industry. Sammi Caramela contributed to this article. Source interviews were conducted for a previous version of this article. 2025 13th June 2025 24th June 2025 18th June 2025 17th June 2025 18th June 2025 18th
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any reasonable manner, but not in any way that suggests the licensor endorses you or your use. ShareAlike — If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original. No additional restrictions — You may not apply legal terms or technological measures that legally restrict
others from doing anything the license permits. You do not have to comply with the license for elements of the material in the public domain or where your use is permitted by an applicable exception or limitation. No warranties are given. The license may not give you all of the permissions necessary for your intended use. For example, other rights
such as publicity, privacy, or moral rights may limit how you use the material. When considering what a PESTLE analysis is, it can be helpful to first understand what is meant by an analysis. An analysis is a detailed examination of a particular thing. It helps to gain a greater understanding about something and learn about its essential features, its
good and bad points, and how these apply to you. There are many tools that can help you to conduct an analysis; one of which is a PESTLE. So, what is PESTLE is an acronym where each letter stands for a different category in which you complete your analysis under. It was initially created as an environmental scanning tool for businesses, to
help business owners see the bigger picture. This is because each letter stands for an external factor that can influence your business owners have worked in their field for a long period of time, they can forget to acknowledge changes in the world around them. The wider context that your business operates in plays a pivotal role
in your business's performance, but without you manually researching the market, external factors have the potential to cause harm to your business goals. When you complete external view of all of the factors that have an impact on your organisation. We know you may be
wondering, what does PESTLE stand for?So, let's find out below:P stands for political. It covers all of the political factors that can affect your business, including government policy, tax policy, trade policy, as well as upcoming
elections, grants, initiatives and bureaucracy. E stands for economy into account and how it could impact your business. You can find out how the economy is performing from government agencies and the Bank of England. It takes the economy is performing from government agencies and the Bank of England. It takes the economy is performing from government agencies and the Bank of England. It takes the economy is performing from government agencies and the Bank of England. It takes the economy is performing from government agencies and the Bank of England. It takes the economy is performing from government agencies and the Bank of England. It takes the economy is performing from government agencies and the Bank of England. It takes the economy is performing from government agencies and the Bank of England. It takes the economy is performed agencies and the Bank of England. It takes the economy is performed agencies and the Bank of England. It takes the economy is performed agencies and the Bank of England. It takes the economy is performed agencies and the Bank of England. It takes the economy is performed agencies and the Bank of England. It takes the economy is performed agencies and the Bank of England. It takes the economy is performed agencies and the Bank of England. It takes the economy is performed agencies and the England. It takes the economy is performed agencies and the England agencies agency agency
economy has a huge impact on your business so it can be an integral factor in business decision-making. S stands for sociological factors, which are things that impact on society and social norms. They can be cultural factors and trends that influence people's way of life. These alter societal expectations which change the behaviour of society, and as a
result, how customers interact with your business. Factors such as population growth, health consciousness, career attitudes and health and safety can change social norms which can have a knock-on effect to your business. T stands for technological. Technology is transforming society at a rapid rate which, in turn, forces businesses to innovate. As
well as innovation, technological advancements impact other areas of the PESTLE (such as economic factors). Some technology incentives. L stands for legal. Legal factors are legislative changes that could cause you to alter your procedures to meet
new legal requirements. This could include tax, employment, licensing, import and export laws. There can be some overlap between legal factors always dictate what a business can or cannot do by law, so must always be adhered
to.E stands for environmental factors. These are becoming an increased pressure to reduce the rate of global warming, and increased pressure to reduce the rate of global warming. There is greater awareness about living more sustainably, and businesses have a large part to play in doing so. Environmental factors for
businesses include global warming, carbon footprint, supply chains and manufacturing. The Corporate Social Responsibility initiative aims to influence and support businesses to make positive changes in response to the environmental issues of the modern world. When each category is considered, you can create a full picture of the external factors
that can influence your business. It can be used in any business industry because all businesses have an external context of operation. However, different sectors may place greater weight on different sectors may be a sector of the different sector
PESTLE analysis requires thinking and research to gather your information. However, it is important to balance information, you must analysis of the external environment must be done manually, so once you have captured your information, you must analysis of the external environment must be done manually, so once you have captured your information, you must analysis of the external environment must be done manually, so once you have captured your information, you must analysis of the external environment must be done manually to identify your next actions.
you will not be able to apply the research you have gathered to your business. We have shared a series of steps that outline how to do a PESTLE analysis below: Define your business industry or market in which you will complete your research in. Gather a group of internal employees who can contribute to your PESTLE analysis. Having multiple people
to contribute to your information gathering often leads to richer data being captured. You can generate some initial ideas using a range of techniques including brainstorming for each PESTLE category. You can consider the following questions
for each category (but there are many more to consider depending on your business function):a. Political environment stable? What funding or grants are available to our business? b. Economical How is the disposable income of our customers changing? Are our
production costs in line with product demand and profit?What economic factors improve or reduce our business prospects?c. SociologicalHow do customer behaviour and attitudes affect buying habits?Are the attitudes of our stakeholders changing?What is the age distribution of our customers?d. TechnologicalWhat new software is available to help
our business?Does the new technology threaten the skill set of our employees?How is automation being used in our market?e. LegalWhat laws and regulations are changing in the near future?What laws and regulations are changing in the near future?What laws and regulations apply to our business?Are our policies and procedures compliant with the law?f. EnvironmentalHow is the physical environment
changing? How are our customers responding to change? Are there any better materials we could use in production? Determine whether you would like external stakeholders to contribute to your information gathering. If so, ask them to provide information on selected categories. You could ask your customers, suppliers, distributors, business
consultants or academics. A study by Deloitte found that 87% of UK businesses included external workers when considering internal business planning. Collate and analyse your findings into business strengths
and weaknesses and prioritise each of these to help you determine what to action first. Create an action plan to maximise your strengths or mitigate against threats. Create a summary report to share with your business and stakeholders. Monitor your action plan on an ongoing basis and revisit your PESTLE at least once every six months to review
changes to any external factors. In business, you complete a PESTLE analysis to inform your decision-making. It helps you to understand the market you're in, and the steps to take to grow and reach your goals. A PESTLE focusses specifically on external factors that impact your business, so it helps you to maximise external strengths to get ahead of
the competition. This is essential for strategising, particularly with older businesses who may have become stuck with innovation. It also helps you to mitigate against any potential risks or threats to your business. The Chartered Management Institute recommend completing a PESTLE analysis as a critical element of crisis management. You can
identify future challenges and take action before they arrive so that you can prepare for the challenges ahead. That way, your business can avoid jeopardy by having more time to react, which can be a valuable source of leverage over your competitors. A PESTLE analysis can be used in a number of business scenarios including: When planning a new
strategy, it is important to have something to guide you to your goal. The context that can be identified in your PESTLE information gathering and analysis plays a crucial role in leading your business in its new goal. Strategy planning is usually the task of the senior management team, but that doesn't mean that contributions must be restricted to
managers. Your wider team and employees are the ones that will help you reach your business goals and may hold valuable insight. A PESTLE is a common tool used in marketing strategy planning. This is because the nature of markets, most successful
marketing channels, best timing of messages, and conversion goals. Similar to creating market insights, gaps in the market, and evaluate existing products to determine next actions. Human resources departments
use workforce planning to identify the correct employee levels and skills, in line with their strategic aims. This could include rectifying skills gaps, resolving staffing levels, reducing staff turnover and increasing productivity. A PESTLE analysis for workforce planning to identify the correct employee levels and skills, in line with their strategic aims. This could include rectifying skills gaps, resolving staffing levels, reducing staff turnover and increasing productivity.
could have a large impact on the employment landscape. The PESTLE analysis was invented over 50 years ago by Francis Aguilar, who was an American scholar whose expertise was in strategic planning. In the late 1960s, Aguilar published a book titled Scanning the Business Environment in which the now known PESTLE tool was first identified. It
was included in Aguilar's book to support fact finding and decision-making for businesses (which it is still used for today). However, initially it was not known as a PESTLE analysis, it was called a PEST. The tool has had several names over the years using slightly different acronyms, including: PEST - This stands for Political, Economic, Sociological,
Technological. This was the initial acronym that was found in Aguilar's book. STEP - This is an addition to the PESTLE, including an extra E which stands for Ethical. SLEPT - This is a reduction to
the PESTLE, removing the Legal category. PESTLIED - This is an addition to the PESTLE at each of these levels (which is a
popular way of analysing multiple businesses at once). So, you think about your PESTLE is the most popular tool used in contemporary society, you can use any of the variations above that resonate with your business the most
Using any combination of the acronyms listed can help you to identify the strengths and weaknesses of your business, which can even be transferred onto a SWOT analysis to assist your understanding of external opportunities and threats. It is easier to apply a PESTLE analysis to your business when you complete a thorough analysis of your
information gathering findings. Simply gathering the information for each category will not enable you to evaluate your business and create an action plan. Information, you must manually apply analysis to each finding in each category; which is why some
people often criticise the tool. If not used properly, a PESTLE can cause confusion with an overwhelming amount of unanalysed information into the PESTLE categories. You should consider the following questions for each finding to assist your analysis: How is the finding impacting your business currently?
How could the finding impact your business in the future? Apply the "So What" principles to your finding. For example, there is a new e-commerce software available. Ask yourself, so what? What does his mean in relation to each
of your findings you can apply a thorough analysis. This will help you to prioritise your results to support your action planning and ensure that you are not left with meaningless data. PESTLE can create a large amount of data which could seem overwhelming to decipher and analyse. Due to this we suggest keeping your PESTLE shorter so that you
have a better chance of completing a thorough analysis which will be more meaningful to your business. A PESTLE analysis is a simple tool that helps business succeed because it allows business owners to gain an understanding of the wider market in which they are operating in. Widening your understanding to consider external factors instigates
strategic thinking which, in turn, results in better strategising. Having a greater understanding of your business in general, can help you to apply your FESTLE analysis. That way you can monitor your progress and any changes to your sector.
We recommend reviewing your PESTLE at least every six months (but this time frame could differ depending on the nature of your business). The more you monitor your external environment, the more in control you will be of your business. Remember that although it is usually the owner or management team who are in charge of strategising, you
can nominate other colleagues to monitor different areas of your PESTLE. They can alert you and the rest of the team of any changes so that you can stay ahead of the curve in your business sector. PESTEL analysis is defined as a business impact study that aims to understand the effects of 6 key external factors, which are politics, economics, social,
technology, environmental, and legal. Initially designed in 1967 as a business planning tool, this method was then known as PEST, with environmental factors became larger business influences. The PESTEL analysis technique is a key tool for a company's management team
during enterprise strategic planning. When correctly done, this analysis technique can help anticipate future challenges and opportunities. This technique is especially helpful when formulating a strategic business into account. PESTEL Analysis Framework The PESTEL
analysis framework is a strategic tool utilized by businesses to assess and respond to external macro-environmental factors influencing their operations. It encompasses six key dimensions: Political factors involve governmental policies, regulations, and geopolitical stability impacting business environments. For example, shifts in tax policies
or trade agreements can significantly influence market conditions and operational decisions. Economic factors, such as GDP trends, inflation rates, and interest rates, shape consumer behavior and business investment strategies. Industries sensitive to economic fluctuations must adapt pricing and operational strategies accordingly. Social
Social factors encompass cultural norms, demographics, and consumer preferences. Understanding societal shifts and behaviors helps businesses tailor their products, services, and marketing strategies to meet diverse customer needs effectively. Technological advancements drive innovation and operational efficiencies across
industries. Businesses leveraging emerging technologies like AI, IoT, and automation gain competitive advantages in product development and service and regulatory requirements, impact operational strategies and consumer perceptions. Adopting eco-friendly
practices not only meets regulatory standards but also enhances brand reputation and customer loyalty. Legal: Legal factors encompass laws and regulations governing business operations, employment practices, and consumer protection. Compliance with data privacy laws (e.g., GDPR) and industry-specific regulations is crucial for mitigating legal
risks and maintaining trust. PESTEL Analysis Examples and Factors A PESTEL analysis is a strategic tool used by businesses and organizations to assess and analyze the external macro-environmental factors that can impact their operations and decision-making. Here's an example of a PESTEL analysis for a fictional company in the renewable energy
industry: 1. Political Factors: Government policies and regulations promoting renewable energy sources. Tax incentives for renewable energy projects. International political stability and growth in the company's target markets. Exchange rates and their
impact on imported components. Funding and financing options for renewable energy projects. Consumer disposable income and its influence on demand for renewable energy. 3. Social Factors: Growing awareness and concern for environmental sustainability. Changing consumer preferences towards clean and green energy sources. Demographic
trends that may affect energy consumption patterns. Public perception of renewable energy technologies. 4. Technologies. Research and development opportunities in the sector. Potential for cost-effective energy storage solutions. Integration of smart grids and IoT in the energy sector.
5. Environmental Factors: Influence of climate change on the generation and utilization of energy. Environmental regulations and emissions standards. Availability initiatives. 6. Legal Factors: Environmental protection laws and regulations.
Intellectual property protection for innovative technologies. Trade restrictions and tariffs affect the renewable energy supply chain. Health and safety regulations for employees. By analyzing these factors, the company can better understand the opportunities and threats in its external environment. This analysis can inform strategic decision-making
risk management, and the development of a competitive advantage in the renewable energy industry. It's important to note that the significance of these factors may vary depending on the industry, location, and specific circumstances of the company being analyzed. Key Benefits of Applying PESTEL Analysis Let's dive into the enterprise benefits
brought about by conclusions drawn using PESTEL analysis: Better threat anticipation and management An enterprise that has planned for all the key 6 external factors highlighted in PESTEL, is in a position where they have a wider and more in-depth understanding of any threats emerging out of external factors. This helps businesses make plans
for contingencies, to avoid the threat or to deal with it in the most prudent way possible. Increased chances for business continuity during disasters Business disasters business disasters business continuity during disasters business disasters 
continuity and perhaps even growth during such periods. A recent example would be the sudden rise in Federal Reserve interest rates to tackle inflation in 2022 where many companies who had taken business loans based on floating interest rates to tackle inflation in 2022 where many companies who had taken business loans based on floating interest rates to tackle inflation in 2022 where many companies who had taken business loans based on floating interest rates to tackle inflation in 2022 where many companies who had taken business loans based on floating interest rates to tackle inflation in 2022 where many companies who had taken business loans based on floating interest rates (especially to stay afforts the following interest rates).
amount within just a year. This rate hike however was much discussed and anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting for anticipated and businesses that repaid or maintained sufficient cash margins accounting the first cash account the first cash accounting the first cash a
aware of the level of maturity of the company's tech stack vis-a-vis competition and what is available in the market. Consider this against a CTO trying to convince the board of tech investment without the right macro context. A PESTEL
analysis enables the management to keep themselves tech-savvy and aware of the latest technology and its benefits to enterprise growth. These tech investments may span across the organization chart such as improving human resource management efficiency, better employee surveying for feedback, better quality customer data collection, better
enterprise data management, planning product and service improvements/ innovations, etc. New opportunities identification External factors are not just threats and compliance, they can and often are filled with business opportunities identification External factors are not just threats and compliance, they can and often are filled with business opportunities identification External factors are not just threats and compliance, they can and often are filled with business opportunities identification External factors are not just threats and compliance, they can and often are filled with business opportunities identification External factors are not just threats and compliance, they can and often are filled with business opportunities identification External factors are not just threats and compliance, they can and often are filled with business opportunities identification External factors are not just threats and compliance, they can and often are filled with business opportunities identification External factors are not just threats and compliance, they can are filled with business opportunities identification External factors are not just threats and compliance in the landscape can be an opportunities identification External factors are not just threats and compliance in the landscape can be also as a filled with business opportunities.
advantage. For example, while GDPR regulations led to a reduced volume of business inquiries from websites, they also improved the quality of these leads who were now more sales-ready. This was because visitors who gave their consent to be contacted by sales or cookie tracking for better product recommendations or receive newsletters on the
product etc, were clearly more ready to make a purchase. Companies who invested more, not less, on the website quality and therefore better sales opportunities in the European market. Focused strategic planning A company's strategic plan is the
overarching business operations and growth plans that drive every other objective. PESTEL analysis is a primary tool for an enterprise's management team seeking to create a realistic, achievable, and competitive strategic plan that takes into account all external factors. While several other methods also take into account external opportunities and
threats, it is only PESTEL that clearly breaks down for the management team the 6 factors that allow for a broad, yet in-depth analysis of external business influences. Learn more: What is a MoSCoW Analysis? PESTEL analysis of external business influences. Learn more: What is a MoSCoW Analysis? PESTEL analysis of external business influences.
analyze the macro-environmental factors that can affect an organization's strategic decisions and long-term planning. Strategic management involves setting the direction and goals of an organization, and the PESTEL analysis helps in understanding the external factors that can impact this process. Here's how a PESTEL analysis is relevant in the
Scenario Planning: PESTEL analysis aids in scenario planning, where organizations can consider various future scenarios based on different combinations of these external factors. By doing so, they can develop strategies that are robust and adaptable to various potential futures. Strategic Decision-Making: Understanding the external environment
through a PESTEL analysis is essential for making informed strategic decisions. It helps in shaping business strategies that align with the current and future landscape. Risk Management: Organizations can use PESTEL analysis to assess risks associated with changes in the external environment. For example, changes in government regulations,
economic downturns, or technological disruptions can pose risks to the organization, and a PESTEL analysis can help identify and manage these risks. Innovation and adaptation efforts. It can help organizations stay ahead of technological
advancements and align their strategies with environmental sustainability. Global Expansion: For organizations considering international expansion, a PESTEL analysis is crucial for understanding the unique factors and challenges in each target market. It helps in tailoring strategies to fit specific international environments. Regulatory Compliance
The Legal factors in the analysis help in identifying legal requirements and compliance issues that can affect the organization's strategies. This is particularly relevant in industries with high regulatory oversight, such as healthcare or finance. Stakeholder Communication: Understanding the Social and Environmental factors can aid in effective
make informed decisions, plan for the future, and adapt to changes in their operating environment. It helps in crafting strategies that are not only relevant but also resilient in a dynamic and complex world. Top 5 Best Practices for PESTEL analysis 1. Get the latest data Every contributing factor in PESTEL analysis requires the management team to
have access to facts and figures. For example, for economic factors, one needs inflation data, central bank interest rate charts, GDP trends, etc. Often a small change in this core data collection can lead to significant changes to 3% in
two or three consecutive quarters, it may trigger the Fed to hike rates to bring inflation down. However, if the company only had access to 1-year-old data, then this event would not have been factored into the enterprise plan. It is therefore critical to ensure that the latest released data across all PESTEL factors are accessed and taken into account
for planning and analysis stages. 2. Prioritize facts over forecasts Since PESTEL is used for future enterprise strategic planning, by default there is some level of forecasting involved. However, the key is to ensure that facts are not stretched to fit a desirable narrative, especially when evaluating political and economic factors which are quite dynamic
and hard to predict by nature. 3. Get a second opinion Whether the management team has hired a consultant, or external agency or is conducting the analysis internally, it is always a best practice to get a second opinion before framing final conclusions from the report. This is because, while PESTEL relies on data, many factors have qualitative
aspects that can always use a second perspective. 4. Incorporate results in all levels enterprise planning The conclusions of the PESTEL analysis are usually directed toward strategic planning. For instance, decisions stemming from
online legal and compliance requirements need to be streamed down to the execution teams where marketing, web development, and legal teams collaborate for accurate implementation. 5. Use visual software for presentation Visual tools such as FrescoPad have built-in templates to brainstorm and visually present PESTEL analysis results. The
more: What is SWOT Analysis Framework? What are the external factors that could affect your business, both now and in the future? Taking stock of these issues can inform your strategy and decision-making. One of the most effective ways to identify potential threats to your business is to carry out a PESTLE analysis. Read on to find out the PESTLE
analysis meaning, how to do one, and why they're important. The PESTLE analysis definition is an activity which helps you to understand the external challenges facing your business. Why is PESTLE analysis important? Because these factors can influence your business strategy and impact future decisions such as expansion, recruitment, and product
development. A successful analysis will relate the potential impact of external factors to your business and the sector you operate in. PESTLE is an acronym. Here's an overview of what each letter stands for: Political - the political stability of the country you're operating in, considering things like tax changes, industry regulations, and trading rules
Economic - the impact of exchange rates and economic growth on your business, as well as things like the cost of living, consumer spending, and interest rates Social - what are people's attitudes to things like work/life balance, wellbeing, and interest rates Social - what are people's attitudes to things like work/life balance, wellbeing, and remote working? How do buying habits such as sustainability affect your business? Technology - looking attitudes to things like work/life balance, wellbeing, and interest rates Social - what are people's attitudes to things like work/life balance, wellbeing, and interest rates Social - what are people's attitudes to things like work/life balance, wellbeing, and interest rates Social - what are people's attitudes to things like work/life balance, wellbeing, and interest rates Social - what are people's attitudes to things like work/life balance, wellbeing, and interest rates Social - what are people's attitudes to things like work/life balance, wellbeing, and interest rates Social - what are people's attitudes to things like work/life balance, wellbeing, and interest rates Social - what are people's attitudes to things like work/life balance, well as things like work/life balance, we work/life balance, we work/life balance, we work/life balance, which work/life balance, which work/life balance, which work/life balance, we work/life balan
innovation in your sector, alongside global tech trends such as automation and the growth of social media. You'll also need to consider cyber security and data storage Legal - analysing shifts in the legal landscape, including employment and health and safety laws. How have laws like GDPR affected your business and what incoming law changes - like
the introduction of a plastic packaging tax - might affect you? Environmental - what impact does your business have on the environmental issues affect you? Environmental issues affect you? Environmental - what impact does your business have on the environmental issues affect you? Environmental - what impact does your business have on the environmental issues affect your ability to source new products and manage supply chains? You can also consider Corporate Social Responsibility and the benefits of becoming a B-corp A PESTLE analysis
can be useful for businesses of all sizes, from companies just starting out to those looking for funding such as venture capital. The purpose of PESTLE analysis is to inform you about what's happening in the world around your business, and use that to plan for the future. Here are some of the things you can use a PESTLE analysis to plan for marketing
analyse consumer spending and what's popular with your audience to develop your marketing plan product development - identify customer habits and environmental factors to help you decide what to launch and when staff - decide when to take on new staff, while using research on the social landscape to assess what type of skills are available and
people's working habits organisational development - if you're looking to diversify or expand your business, use the information you gather to develop your org chart A PESTLE analysis is a research project, so it could be worth putting a team together to complete it, with one person responsible for bringing everything together. You could give each
person in the team an area to research, playing to their individual strengths such as legal matters or technology. You'll then need to gather the information initially be presented - perhaps in slides or a long form document? make sure the research focuses on
both the present and future impact of PESTLE factors on your business are there areas of PESTLE that are more relevant to your business, such as environmental factors if you import products? make sure the team use reliable sources of information that are relevant to your business and sector Once you've gathered all the research together, you'll
need to analyse the findings. These are the steps you'll need to take: Identify and prioritise the risks to your business Work out how you can address these issues through preparation or prevention Circulate your findings to key stakeholders and discuss them Agree on actions and make sure they're assigned to a team or individual to increase
accountability Review and update the PESTLE analysis regularly, accounting for any new risks or changes to existing ones A PESTLE analysis allows you to explore external factors influencing your business, you can make strategic management decisions that car
minimise risks and help your company to grow. For example, a PESTLE analysis finds that the country has low economic growth and an unstable political situation, it could be best to wait until conditions improve before entering
that market. If a catering business uses plastic coffee cups and its research shows that consumers want cups made from more sustainable materials, they can start planning for how to replace their existing cups and consider the factors that could influence the replacement. Meanwhile, an accountancy firm may use a PESTLE analysis to prioritise the
risk of cyber threats if they've seen an increase in ransomware attacks and fraudulent tax returns. The CIPD has a free pestle analysis template to give you an idea of how yours should look. A PESTLE analysis template to give you theat of how yours should look. A PESTLE analysis template to give you an idea of how yours should look. A PESTLE analysis template to give you an idea of how yours should look. A PESTLE analysis template that you can download for your business, as well as a completed analysis template to give you an idea of how yours should look. A PESTLE analysis template to give you an idea of how yours should look. A PESTLE analysis template to give you an idea of how yours should look. A PESTLE analysis template to give you an idea of how yours should look. A PESTLE analysis template to give you an idea of how yours should look. A PESTLE analysis template to give you an idea of how yours should look. A PESTLE analysis template to give you an idea of how yours should look. A PESTLE analysis template that you can download for your business, as well as a completed analysis template that you can be an effective exercise, but it won't always give you analysis template that you can be an effective exercise.
full picture. That's why it's important to complement a PESTLE analysis with a SWOT analysis and competitor analysis. it encourages critical thinking within the business and focuses on preparing for the future it's a simple framework that's easy to understand and implement an understanding of wider external factors can lead to innovation it helps to
manage risks and gives businesses a greater chance of capitalising on new opportunities assumptions and qualitative research can be difficult to analyse and plan for it can take up a lot of time for employees who have other roles to focus on it needs to be done regularly and won't work on a one-off basis external factors change quickly, so it can be
difficult to present and analyse up to date information Do you have any unanswered questions about creating a PESTLE analysis? Let us know in the comments below. AYAimages A PESTLE analysis examines how Political, Economic, Social, Technological, Legal, and Environmental external factors affect a business or an organization. Explaining
PESTLE analysis is easy since it is a simple, straightforward analysis used in strategic planning. Below, we'll go through everything you need to know about the PESTLE model of analysis with a clear PESTLE definition. What is a PESTLE Analysis? PESTLE analysis? PESTLE analysis is easy since it is a simple, straightforward analysis used in strategic planning. Below, we'll go through everything you need to know about the PESTLE model of analysis with a clear PESTLE definition. What is a PESTLE Analysis? PESTLE analysis? PESTLE analysis is easy since it is a simple, straightforward analysis used in strategic planning. Below, we'll go through everything you need to know about the PESTLE analysis?
analysis identifies and evaluates how Political, Economic, Social, Technological, Legal, and Environmental factors impact business operations. The strategic planning framework helps business operations. The strategic planning framework helps business and project managers in the decision-making process. A PESTLE analysis helps business operations.
strategy in the long term. It gives a bird's-eye view of the whole environment that business managers need to consider while contemplating a certain business idea or plan, based on the 6 elements of PESTLE analysis. In short, that's what the PESTLE analysis acronym stands for: Political, Economic, Social, Technological, Legal, and Environmental.But
then, what is PESTEL Analysis? A PESTEL analysis? A PESTEL analysis is essentially the same as a PESTLE analysis is essentially the same in both frameworks What
are the 6 PESTLE macroenvironmental factors in more detail?PESTLE analysis factors are Political, Economic, Social, Technological, Legal and Environmental. They are all external factors in PESTLE analysis are:government, trade and tax policiesgeneral
political issueschanges in leadershipregulation and political trendsEconomic Factors in PESTLE analysis are external factors include:InflationInterest ratesExchange ratesEconomic growthUnemployment
levelsSocial FactorsSocial factors in PESTLE analysis are social and cultural changes, new trends and patterns in society. These can be:Lifestyle trendsEducation levelAge distributionGeneral attitudesConsumer behaviorHealth consciousnessFamily and population sizeTechnological factors in PESTLE analysis are external factors
related to the existence, availability, and development of technological awareness that a market possesses. Common factors in this section are: E-commerce Cybersecurity Threats Emerging Technological awareness that a market possesses. Common factors in this section are: E-commerce Cybersecurity Threats Emerging Technological awareness that a market possesses.
were to stop here, these factors would make for a PEST analysis, much like Francis J. Aguilar came up with inventing PEST! But let's continue.Legal Factors would make for a PEST analysis, much like Francis J. Aguilar came up with inventing PEST! But let's continue.Legal Factors would make for a PEST analysis, much like Francis J. Aguilar came up with inventing PEST! But let's continue.Legal Factors that refer to how the law and regulations affect the way businesses operate. These may include:Labor lawsConsumer lawsMarket
regulationHealth and safety lawsImport/Export regulationsAnti-competitive practicesEnvironmental factors in PESTLE analysis are external factors that describe how our planet and ecosystem can impact the organization, and some are:SustainabilityClimate changeWaste ManagementEnvironmental regulationsConsumer
Environmental AwarenessNote that each of the factors may have a different effect, depending on the business type. For example: the rise of e-commerce (Technological factor) has a positive impact on online shopping marketplaces, such as
JCPenney and Sears political support for renewable energy policies (Political factor) is an ally for companies that manufacture and sell electric vehicles, such as Tesla, but a challenging factor for businesses operating in the fossil fuel industry. Learn more details of the external factors here. Insights and resources on PESTLE analysis and other
business analysis tools for business students, managers and owners. No spam. Unsubscribe anytime. How to do a PESTLE Analysis the Right Way? Once they know the six factors affect the organization, business, or project. To
know how to do PESTLE analysis, they need to ask: Political factors: What is the country's political situation, and how can it affect the industry and, subsequently, the business? Is the political environment changing, and what are the currently? Is the
economy growing or shrinking? Social factors: Are there any significant shifts in consumers' preferences and buying trends? What are the latest technological advancements and breakthroughs? Legal factors: What kind of regulations and
legislation are put into effect? Any key changes in the legal system and compliance policies? Environmental factors: What are the current environmental trends and policies? It's up to the manager or analysis. For example, it doesn't make sense to include every legal or
environmental factor if those have no influence on the specific organization in question. As long as the factors do affect the business, though, we don't just blindly list them in their relevant category. When we have listed all key factors that influence the
business' operations, we can fill in the PESTLE analysis template. As a tip, try keeping your PESTLE analysis leads to actionable recommendations and ideas. What is a PESTLE Analysis used for, and why is it important? The aspects of this
technique are crucial for any industry a business might be in. More than just understanding the market, the PESTLE analysis framework represents one of the vertebrae of the backbone of strategies attached to them. As we technique are crucial for any industry a business might be in. More than just understanding the market, the PESTLE analysis framework represents one of the vertebrae of the backbone of strategies attached to them. As we technique are crucial for any industry a business might be in. More than just understanding the market, the PESTLE analysis framework represents one of the vertebrae of the backbone of strategies attached to them. As we technique are crucial for any industry a business might be in. More than just understanding the market, the PESTLE analysis framework represents one of the vertebrae of the backbone of strategies attached to them. As we technique are crucial for any industry a business might be in. More than just understanding the market, the perfect of the vertebrae of the backbone of strategies attached to the backbone of the vertebrae of the vertebrae of the vertebrae of the backbone of the vertebrae of the vertebr
said, a PESTLE analysis is used to analyze the macro environment and assess its six external factors (Political, Economic, Social, Technological, Legal, Environmental). As a result, PESTLE analysis is used for capturing new opportunities and avoiding potential threats. That's why PESTLE is usually accompanied by a SWOT analysis for a complete
overview of the business. Advantages of PESTLE Analysis PESTLE analysis is:simple, easy, cost-effective and straightforwardoffers a deeper understanding of the business alertness of PESTLE Analysis While being a powerful strategic planning.
tool, PESTLE Analysis:cannot offer the full picture at PESTLE analysis for various companies, industries and even countries! PESTLE
analysis examples vary from startups to conglomerate corporations, from tiny to huge industries, from the smallest to the biggest countries in the corresponding article. PESTLE Analysis Example of a CompanyLet's first take a look at the external
factors that affect Nike, the sportswear company, Nike is influenced by the political stability in the United States. Other political factors include regulatory compliance, global trade policies and tariffs, international
relations and economic and environmental policies. Economic fluctuations. Social: Nike is affected by the latest health and fitness trends, digital and social media influence, demographic shifts
and cultural and fashion trends. Technological: Innovation in product design and material are probably the biggest technological factor affecting Nike. Wearable technological factor affecting experience and drive engagement in retail spaces. Legal: Labor laws and
practices, anti-competitive and market regulations are affecting Nike. Environmental: Waste reduction and recycling trends in the fashion industry are having an impact on Nike, making them introduce a recycling program. Other environmental factors include the introduce a recycling program.
change.PESTLE Analysis Example of an IndustryIn our PESTLE analysis of the food industry, we examined the external factors below:Political: The food industry is affected by global regulations lead the industry's companies to adapt
their business plans and introduce new options in their menus. Meanwhile government bodies offer subsidies and support affecting the competitiveness within the industry, while environmental regulations towards sustainable farming influence the production practices. At the same time, taxes and trade agreements affect import/export and total
costs. Economic: Consumer spending power and increasing labor costs are at the top of the economic factors affecting the food industry's growth, while inflation, supply chain costs and economic stability can have a big impact on the food industry's operations. Social: Social factors affecting the food industry is a factor of the economic fact
the food industry include health and wellness trends, cultural diversity, demographic and lifestyle changes, social media influence and education new food production and safety technologies, packaging innovations, automation and robotics, nutritional science advances and even data analytics, as
they improve consumer behavior prediction and personalized marketing! Legal: Employment and animal welfare laws, health and food safety standards, labeling requirements and advertising regulations are all part of the legal factors that affect the food industry. Environmental: The food industry is hugely affected by climate change, water scarcity,
energy consumption and waste management, along with consumer awareness and packaging materials. PESTLE Analysis Example of a Country is affected by the following external factors: Political: Japan's growth depends on the winning party in the elections, despite being a monarchy, since the
Emperor isn't very involved in politics. Given the Liberal Democratic Party (LDP) has dominated by regular leadership changes. Japan is also affected by rea
energy policy against nuclear sources, has affected by its agreements. Economic: Japan's future is affected by its agreements. Economic and currency fluctuation. Social: The Asian country is strongly affected by its agreements. Economic and currency fluctuation.
technological literacy, along with challenges originating from the trend of urban living. Technological: Japan's focus on innovation and technology fuels its economic growth. Their emphasis on big data, robotics and promoting the concept of "Society 5.0" address societal hurdles and created a smart society. Japan's automotive sector is hugely affected
by its smart transportation technologies, while the widespread access to high-speed internet helps businesses flourish in the digital era. Legal: As intellectual property rights, environmental regulations and data protection policies are becoming popular legal trends worldwide, Japan's legal system is bound to be affected as well. As the world shifts
towards a stricter regulatory framework, Japan is posed to follow along. Environmental: The same can be said for the public's increasing environmental awareness. Worries about climate change, biodiversity, and conservation efforts, along with waste management and recycling policies, will influence how Japan moves into the greener future of our
planet.PESTLE Analysis TemplatesUsing a PESTLE analysis template in PDF, Word, or PowerPoint format offers significant benefits. These formats provide flexibility and ease of use, allowing students, business managers, and owners to customize the analysis according to their needs. PDF ensures a professional, easily shareable document, while
Word and PowerPoint formats allow for seamless editing and integration into reports and presentations. Additionally, exporting in various formats like JPEG, PNG, and SVG makes it easy to incorporate the analysis into different types of documents. Check out our article on PESTLE analysis templates for more on creating your own template and where
to find free ones. Join our community of students, business managers and owners and get our PESTLE template in your inbox! No spam. Unsubscribe anytime. PESTLE Analysis VariationsThe PESTLE Analysis and a D for Demographics
in STEEPLED analysis to instill the element of demographics while utilizing the framework in market research. What is the difference between PESTLE and SWOT Analysis is another popular tool to help in business and project management and is often mentioned along with PESTLE analysis. SWOT analysis reveals the Strengths,
 Weaknesses, Opportunities and Threats of an organization. While both strategic planning tools offer valuable insights that are very important in the decision-making process, they view the world from a different perspective. PESTLE analysis focuses on external factors only. SWOT Analysis considers both internal and external factors. PESTLE analysis focuses on external factors only.
 offers a broader view of the external environment, while SWOT links a business' internal potential with the external environment. SWOT analysis is totally ignorant of. In a nutshell, PESTLE analysis explores the external terrain on which and address weaknesses, which PESTLE analysis is totally ignorant of. In a nutshell, PESTLE analysis explores the external environment.
organization operates, and SWOT analysis provides insights on how to respond on those external forces, based on the organization's unique strengths and weaknesses to assess external factors that influence their operations and competitive
environment. A PEST (political, economic, social, and technological) analysis is a management technique that enables an organization become more competitive in the market. A popular variation, especially in the U.K., is the PESTLE strategic
planning approach, which adds two focus areas: legal and environmental. A PEST (political, economic, social, and technological) analysis is used to gauge external factors that are more likely to experience the effects of macro events. A PEST analysis is
commonly used in conjunction with a SWOT (strengths, weaknesses, opportunities, and threats) analysis. PEST analysis was first introduced under the Business Environment," Aguilar found economic, technical, political, and social factors to be major influences
on the business environment. The letters were later rearranged to create the acronym used today. The core of PEST analysis is the belief that a comprehensive assessment of the major areas of influence that affect the sector in which an organization is positioned, as well as the organization itself, can facilitate more effective strategic planning. This
planning can maximize the organization's ability to capitalize on conditions as they exist and to be better prepared for imminent changes, allowing the organization to stay ahead of competitors. Political aspect of PEST analysis focuses on the areas in which government policy and/or changes in legislation affect the economy, the specific
industry, and the organization in question. Areas of policy that may particularly affect an organization include tax and employment laws. The general political climate of a nation or region, as well as international relations, can also greatly influence the organization. Economic: The economic portion of the analysis targets the key factors of interest,
exchange rates, economic growth, supply and demand, and inflation. Social: The social factors that may be included in a PEST analysis are demographics and development of technologies within the sector
and organization, as well as the wider uses, trends, and changes in technology. Government spending on technological research may also be a point of interest in this area. A PEST analysis can assist an organization in recognizing and capitalizing on opportunities offered by existing conditions in the business environment. It can also be used for
identifying current or possible future challenges, allowing for effective planning for how to best manage these challenges. A PEST analysis can also be applied in assessing the in-house structure of an organization in order to identify strengths and weaknesses in its internal politics, economic outlook, social climate, and technological base. The results
of this analysis can facilitate changes or improvements in areas identified as subpar. A PEST analysis, such as the SWOT (strengths, weaknesses, opportunities, and threats) model. Conducting a comparison between these completed analyses can provide a solid basis for
informed decision-making. PEST analysis focuses on political, economic, social, and technological areas, whereas PESTLE adds legal and environmental factors to the analysis, you must consider the different factors (political,
economic, social, and technological), and how these factors affect your business. For the political component, you would assess laws, regulations, government policies, and tariffs, for example. For the economic component, some of the topics you would assess to financing, cost of living, interest rates, inflation, and labor costs. For
the social component, you would consider consumer trends and behaviors, education, division of wealth, and population growth rates. For the technological component, you would assess areas such as artificial intelligence growth, innovation, research and development, social networking, and cybersecurity. A PEST analysis can be done as often as a
business would like. It is a good idea to perform a PEST analysis when there have been significant changes that may impact a business, such as a change in interest rates, new government policies, or the introduction of new technology. By analyzing the political, economic, societal, and technological factors that impact its business, a company can
plan, reorganize, and adjust to these external factors in order to become a more successful operation. An organization's success is not only predicated on how well it internally manages its operations, but also on how it functions in the larger world. A PEST analysis can help it succeed. Introduction PEST Analysis is a strategic tool used by businesses
and marketers to evaluate the macro-environmental factors, which are the primary elements considered in this analysis. By understanding the PEST factors, organizations can better position themselves in the market, anticipate
changes, and develop strategies to mitigate risks or capitalize on opportunities. In this article, we will define PEST Analysis PEST analysis is a strategic management tool used to analyze and evaluate the external factors affecting an
organization or a specific project. The acronym "PEST" stands for Political, Economic, Social, and Technological factors are assessed to understand the potential opportunities and threats they present to the organization's operations or objectives. PEST analysis helps businesses and decision-makers anticipate changes in their external
environment and adapt their strategies accordingly. What is PEST Analysis used for PEST Analysis is a macro-environmental analysis that helps businesses understand the external factors that can influence their business environmental analysis that helps businesses understand the external factors that can influence their business environmental analysis that helps businesses understand the external factors that can influence their businesses understand the external factors.
The PEST framework is particularly useful for: Strategic Planning: PEST Analysis aids in identifying long-term opportunities and threats that could shape the future direction of a business environment and strategically plan their
growth trajectory. Market Research: Understanding the broader context in which a market operates is crucial for effective market trends, consumer behavior, and overall market potential. Risk Management: In terms of risk management,
PEST Analysis helps businesses assess potential risks associated with external factors. For instance, changes in government policies (Political), economic downturns (Economic), shifts in consumer attitudes (Social), or rapid technological advancements (Technological) could pose risks. By anticipating these risks, businesses can develop contingency
plans to mitigate their impact. Competitive Analysis: Lastly, PEST Analysis is useful for evaluating how competitive advantages or vulnerabilities and adjust their strategies accordingly. Overall, PEST Analysis provides valuable insights that
enable businesses to navigate their macro-environment more effectively for strategic planning, market research, risk management, and competitive analysis. What are the Components of PEST Analysis serves as a powerful tool for businesses to understand the macro-environmental factors that can influence their operations. Each
component of PEST Analysis represents a different aspect of the macro-environment. Let's delve deep into its role in strategic planning, market research, risk management, and competitive analysis. Strategic planning, market research, risk management, and competitive analysis.
analyzing Political, Economic, Social, and Technological factors, businesses can anticipate changes in the business environment and strategically plan their growth trajectory. Market Research: Understanding the broader context in which a market operates is crucial for effective market research. PEST Analysis provides this context by offering
insights into the external factors that can impact market trends, consumer behavior, and overall market potential. Risk Management; In terms of risk management, PEST Analysis helps businesses assess potential risks associated with external factors. For instance, changes in government policies (Political), economic downturns (Economic), shifts in
consumer attitudes (Social), or rapid technological advancements (Technological) could pose risks. By anticipating these risks, businesses can develop contingency plans to mitigate their impact. Competitive Analysis is useful for evaluating how competitors might be affected by the same external factors. This understanding can
help businesses identify competitive advantages or vulnerabilities and adjust their strategies accordingly. Whether it's for strategies accordingly that enable businesses to navigate their macro-environment more effectively. PEST Analysis Examples for
Application PEST Analysis can provide valuable insights across various industries: PEST Analysis for the Retail Industry In the retail sector, political factors such as import tariffs and trade policies could significantly impact the cost of goods and ultimately the
pricing strategy. Economic factors like consumer spending habits, disposable income levels, and economic stability would directly influence demand patterns. Social trends, including the increasing preference for online shopping or sustainable products, shape consumer behavior. Technological advancements like AI-powered recommendation systems
or secure payment technologies also play a crucial role in shaping the retail landscape. PEST Analysis for the Automotive Industry For automakers, political factors such as emission regulations or safety standards can dictate design and production decisions. Economic factors like fuel prices or economic downturns can influence consumer buying
power and preferences. The shift in social attitudes towards environmentally friendly vehicles has seen a surge in demand for electric vehicles. Technology are reshaping the industry. PEST Analysis for the Healthcare Industry In healthcare,
political factors like healthcare reforms or policy changes can have a profound impact on how healthcare services are delivered. Economic factors such as public health funding or insurance coverage determine accessibility to healthcare services. Social factors like an aging population or lifestyle trends influence healthcare demand patterns.
Technological breakthroughs in areas like telemedicine, AI diagnostics, genomics, and personalized medicine are revolutionizing patient care. These examples illustrate how PEST Analysis can help businesses in different industries understand their macro-environment better and make strategic decisions accordingly. How to Conduct a PEST Analysis
Here's a step-by-step guide on how to conduct a PEST analysis. 1. Start by identifying the four key factors: Analyze the political environment and how it may impact your business. This includes factors such as government stability, regulations, trade
policies, and taxation. Look for any political changes or events that may affect your industry or market. 3. Economic factors such as economic factors that can influence your business. Consider factors such as economic factors that may impact your
industry or market. 4. Social Factors: Examine the social factors that can impact your business. This includes factors such as demographic trends, cultural norms, consumer attitudes, and lifestyle changes. Look for any social shifts or movements that may affect your industry or market. 5. Technological Factors: Assess the technological factors that
can affect your business. Consider factors such as technological advancements, innovation, automation, and digitalization. Look for any technological developments or disruptions that may impact your industry reports, surveys, and
interviews. Ensure that the information collected is accurate and up-to-date. 7. Analyze the data and identify the key opportunities and threats that can impact your business positively or negatively. 8. Prioritize the opportunities and threats based on their potential impact
and likelihood of occurrence. This will allow you to focus on the most significant factors and develop strategies to mitigate risks or capitalize on opportunities. 9. Develop an action plan based on the findings of the PEST analysis. This plan should outline specific steps and initiatives to address the identified opportunities and threats. Assign
responsibilities and set deadlines to ensure effective implementation. 10. Regularly review and update the PEST analysis to reflect any changes in the external environment. Keep track of new political, economic, social, and technological developments that may impact your business. By conducting a PEST analysis, you can gain a better understanding
of the external factors that can influence your business. This analysis will help you make informed decisions, develop effective strategies, and stay ahead of the competition in a rapidly changing business environment. Boardmix: Online Whiteboard for PEST analysis Boardmix Online Whiteboard is a tool that can help users create PEST analysis charts
and diagrams. This online whiteboard platform allows users to collaborate and brainstorm ideas in real time. With the PEST analysis in Boardmix, users can easily identify and analyze the political, economic, social, and technological factors that may impact their business or industry. Steps of Creating PEST analysis in Boardmix Creating a PEST
analysis in Boardmix is a straightforward process. Here are the steps to follow: 1. Sign in or create a new one if you don't have an account yet. 2. Create a new whiteboard: Once you're signed in, click on the "New board" button to start creating a new whiteboard
for your PEST analysis. 3. Add PEST analysis. 3. Add PEST analysis template: In the whiteboard, click on the "Templates" option in the toolbar and search for "PEST analysis template by adding your own content and data. You can
edit the text, add or remove sections, and rearrange elements according to your analysis requirements. 5. Collaborate and gather input: If you're working with a team or stakeholders, use the collaborate in real time.
6. Add notes, comments, and images: Enhance your analysis by adding notes, comments, and images to provide further context and explanations for your findings. This will make your analysis by adding notes, comments such as PDF or PNG. This
allows you to easily share your analysis with colleagues, clients, or other stakeholders. That's it! You have successfully created a PEST analysis in Boardmix to Make PEST Analysis? When it comes to using Boardmix for PEST analysis,
several key features make it a valuable tool. 1. Firstly, Boardmix offers a user-friendly interface that makes it easy for users to navigate and create their PEST analysis charts. The platform is designed to be intuitive and user-friendly, ensuring that even those without technical expertise can easily utilize the tool. 2. Secondly, Boardmix provides a wide
range of customization options. Users have the ability to choose from various templates and layouts, allowing them to tailor their analysis to their specific needs. Whether you're analyzing the political, economic, social, or technological factors, Boardmix has the flexibility to accommodate your requirements. 3. Furthermore, Boardmix supports real-
time collaboration. This means that multiple users can work on the same analysis simultaneously, enabling teams to brainstorm ideas, share insights, and gather input from different perspectives. This collaborative feature enhances the overall effectiveness of the PEST analysis and ensures that all relevant stakeholders have a voice in the process. 4.
Additionally, Boardmix allows users to add notes, comments, and images to their analysis. The ability to include images also allows for visual representations of data or examples, making the analysis more
engaging and informative. 5. Lastly, Boardmix offers a seamless exporting and sharing process. Once the PEST analysis is complete, users can easily export their charts in various formats such as PDF or PNG. This enables them to share their analysis with colleagues, clients, or other stakeholders. Overall, the features offered by Boardmix make it an
ideal choice for conducting a PEST analysis. Its user-friendly interface, customization options, real-time collaboration capabilities ensure a comprehensive and efficient analysis process. PEST Analysis Templates To help you get started with your own PEST Analysis, here are simplified templates for
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each component: 1. Political Factors - Government policies and regulations - Political stability and risks - Taxation and trade policies - Labor laws and inflation - Exchange rates and currency risks - Consumer spending trends and disposable income 3. Social Factors - Demographic trends and population growth - Cultural and lifestyle changes - Education levels and workforce skills - Health and environmental concerns 4. Technological Factors - Technological trends and innovation - Automation and artificial intelligence - Product development and life cycles Infrastructure and connectivity Conclusion PEST Analysis is a valuable tool for businesses looking to understand and navigate the complex macro-environmental factors that can influence their success. By conducting a thorough PEST Analysis, organizations can gain insights into potential opportunities and threats, allowing them to make informed strategic decisions. The templates provided serve as a starting point, but businesses should tailor their analysis to their specific industry and market context. Boardmix provides a user-friendly interface with various templates and customization options to create visually appealing PEST analysis charts. Users can also add notes, comments, and images to further enhance their analysis. Discover the Boardmix Online Whiteboard for PEST Analysis and conduct a thorough analysis of external environment. Try Boardmix online Download to desktop The PEST analysis is a useful tool for understanding market growth or decline, and as such the position, potential and direction for a business. PEST is an acronym for Political, Economic, Social and Technological factors, which are used to assess the market for a business or organizational unit. Sometimes it's expanded to include legal and environmental factors and called a PESTLE analysis quides us to identify effective strategies for setting priority, allocating resources, planning for time and development roadmap and formulating control mechanisms. With this analysis, you can identify potential opportunities and threats associated with your strategy and figure out ways to take advantage of them and avoid them. These are all about how and to what degree a government intervenes in the economy. This can include - government policy, political stability or instability or instability in overseas markets, foreign trade policy, tax policy, labour law, environmental law, trade restrictions and so on. It is clear from the list above that political factors often have an impact on organisations and how they do business. Organisations need to be able to respond to the current and anticipated future legislation, and adjust their marketing policy accordingly. Economic factors have a significant impact on how an organisation does business and also how profitable they are. Factors include - economic growth, interest rates, exchange rates, inflation, disposable income of consumers and businesses and so on. These factors can be further broken down into macro-economical and micro-economic factors. Macro-economic factors deal with the management of demand in any given economy. Governments use interest rate control, taxation policy and government expenditure as their main mechanisms for managing macro-economic factors. Micro-economic factors are all about the way people spend their incomes. This has a large impact on B2C organisations in particular. Also known as socio-cultural factors are the areas that involve the shared belief and attitudes of the population. These factors are of particular interest as they have a direct effect on how marketers understand customers and what drives them. We all know how fast the technological landscape changes and how this impacts the way we market our products. Technological landscape changes and how this impacts the way we market our products. Technological landscape changes and how this impacts the way we market our products. distributing goods and services New ways of communicating with target markets Analyzing these factors will help you and your team gain a comprehensive understanding of the external (macro environmental) factors that may positively or negatively affect your company's strategic planning process. With access to such knowledge, you can quickly come up with strategies that would put the company on the fast track to achieving its goals. A company may have all the information it requires about the external environment in which it is to operate or launch a new project. It can even predict future prospects of a project or product by studying the PEST factors. Let's list out the some benefits that we can gain from the findings of a PEST Analysis: Provides an understanding of the wider business environment. Encourages the development of strategic thinking. Straightforward and only costs time to do. May raise awareness of threats to a project. Can help an organisation to identify and exploit opportunities. An Example - Impact of Technology Factor Let's take a moment to consider the impact that technology has had on our country's economy. Most people will agree that technology has made our lives much easier. The Internet, for example, has changed the way we bank, pay our bills, search for goods and services, book holidays, undertake study, and shop. However, technology has caused serious damage to some businesses. In terms of casualties, the good old fashioned local CD & DVD rental store has taken a monumental hit. Why? Well, let's face it, there's now little or no control over, why bother considering them at all? To answer this guestion, a PEST analysis encourages management to carefully study what is happening in the environments that encapsulate their business. As business managers we must underlying function of the analysis is not just to review what has already happened, but also predict what is likely to happen in the near future. This ensures we are aware of them and highly perceptive to their possible affects on our business. The external influences on business vary from country to country. It is very important that those factors are considered. To conducting a PEST Analysis, we can come up a set of brainstorming questions with answers and actions of them related to each of the four factors: Political arena has a huge influence upon the regulation of businesses, and the spending power of consumers and other businesses, and the spending power of consumers and other businesses, and the spending power of consumers and other businesses. influence laws that regulate or tax your business? What is the government's position on marketing ethics? What is the government involved in trading agreements such as EU, NAFTA, ASEAN, or others? Economic Factors The economic environment is a direct influence on all businesses. Obviously if you are studying marketing there is a huge element of economics within the topic itself, and you should be no stranger to the principles of economics. You need to look at: Interest rates The level of inflation Employment level per capita Long-term prospects for the economy Gross Domestic Product (GDP) per capita, and so on Social Factors The social and cultural influences on business vary from country to country. It is very important that such factors are considered include: What is the dominant religion? What are attitudes to foreign products and services? Does language impact upon the diffusion of products onto markets? How much time do consumers have for leisure? What are the population have a strong/weak opinion on green issues? Technological Factors Technology is vital for competitive advantage, and is a major driver of globalization. Consider the following points: Does technology allow for products and services to be made more cheaply and to a better standard of quality? Do the technologies offer consumers and businesses more innovative products and services such as Internet banking, new generation mobile telephones, and etc.? How is distribution changed by new technologies e.g. books via the Internet, flight tickets, auctions and etc.? Where you have identified significant opportunities, build the actions you'll take to exploit them into your Business Plan. Where you've identified significant risks, take appropriate action to manage or eliminate them. The table below shows a PEST Analysis model. Political Economic Social Technological tax policy employment laws environmental regulations trade restrictions and tariffs political stability economic growth interest rates exchange rates inflation rate health consciousness population growth rate age distribution career attitudes emphasis on safety R&D activity Automation technology incentives rate of technology incentiv technological factors, but increasing awareness of the importance of legal, environmental and cultural factors has led to the evolution of a growing number of variants. For example: PESTLE - Political, Economic, Cultural, Technological, Aesthetic, Customers, Legal, Environmental, Sectoral PESTLIED - Political, Economic, Socio-Cultural, Legal, International, Environmental, Political, Technological and Cultural SLEEPT-C - Sociological, Legal, Economical, Environmental, Political, Technological and Cultural SLEEPT-C - Sociological, Legal, Economical, Environmental, Political, Economical, Environmental, Political, Technological and Cultural SLEEPT-C - Sociological, Legal, Economical, Environmental, Political, Technological, Legal, Economical, Environmental, Political, Technological, Legal, Economical, Environmental, Political, Economical, Environmental, Economical, Environmental, Economical, Environmental, Economical, (These are best used for understanding change in multinational organizations.) Choose the version that best suits your situation. The figure below shows a PESTLE Analysis example of a pharmaceutical company. PESTLE is a varied form of PEST. It has two additional columns L and E for listing the Legal and Environmental factors. PEST definitely helps to identify SWOT factors. PEST and SWOT, in that similar factors would appear in each. That said, PEST and SWOT are certainly two different perspectives: PEST Analysis looks at "big picture" factors that might influence a decision, a market, including competitors, from the standpoint of a particular proposition or a business. SWOT is an assessment of a business or a proposition, whether your own or a competitor's. at a business, product-line level.