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Commonly, organizations that are able to monitor and adapt to changes that come from or are caused by external factors or the macro-environment can work on improving their competitive advantage over others. One way to do this is through conducting regular PESTLE analysis, which is considered one of the most common tools of environmental analysis. Often, the ones responsible for this are business analysts, whether internal or external, as well as leaders and managers in charge of strategic decision-making in an organization. For most industries, this kind of analysis is repeated every 6 months on an ideal basis. This is to ensure that organizations are well up-to-date with what's happening outside their organization and how it can affect their operations or processes. On the other hand, businesses in industries that are more fast-paced and ever-changing can opt to conduct PESTLE analysis as frequently as they deem fit to properly prepare for any changes and major decisions they must make. Using straightforward, easy-to-use templates while conducting PESTLE analysis helps cut down the time it takes to list all factors and details under each consideration. Since such factors can be quite complicated, being able to streamline processes of identifying and addressing PESTLE factors using smart tools and platforms will be helpful toward a sustainable system of business growth planning. Hence, having a standard template can help reduce the need to repeat tasks and processes when preparing for PESTLE analysis sessions especially when it's conducted regularly. What to Include in a PESTLE Analysis Template The main key components of a PESTLE Analysis revolves around the Political, Economic, Social, Technological, Legal, and Environmental factors. It's best to organize all questions and answers about one area on one separate page. Here's a quick guide on how to create a PESTLE analysis template and some common guide questions under each PESTLE factor you must consider. Political Factors When are the country's next local and national elections? How will these impact state or regional laws and policies? Is there any possibility that pending legislation or bills can affect the current policies of the business? Economic Factors What are the specific and general economic factors most likely to affect our business in the long run? How does the current economic environment of the country and/or of the international market impact the business? Social Factors What purchasing motivators best represent our customers' behavior? How do we qualify our leads and prospects based on how their values and beliefs relate to our business? Technological Factors How do we keep track of technological advancements? What are the emerging technologies that are highly relevant to our business? Legal Factors What are the most relevant laws and regulations that apply to our business? How should we align our global campaigns to ensure we're complying with regional laws and regulations? Environmental Factors How does our workplace location affect the growth of the business? Are there any other physical environment-related factors we need to consider as we conduct our business strategy planning? Include a completion page. The last page of your PESTLE analysis template must also include a section or one whole page to account for the following: Other notes or reminders Recommendations and next steps Analysis facilitator sign-off Sample PESTLE Analysis Template Here's an example of a PESTLE analysis template when used in SafetyCulture: Skip to content Get daily, no-fluff insights on the latest business models, startup strategies, and trends delivered straight to your inbox. Click the PDF icon below download this template. This PESTLE Analysis template is designed so that you can record those aspects within each factor of your PESTLE analysis that are outside your organizations control and will have an impact on how it operates. This analysis technique should be used in conjunction with other tools such as a SWOT and other strategy tools. Using PESTLE analysis is a method of analyzing the effects that a variety of outside forces will have on the operations and future of an organization. This method has become more popular in recent years as the fast-changing business landscape requires that managers always be thinking a step ahead to plan their next move. PESTLE is a good tool, although its usefulness depends on the specifics of your organization and in what manner you do business. Today's Top Picks for Our Readers:Recommended by Each letter in the acronym PESTLE stands for a different portion of the analysis. The breakdown is as follows - Political Factors. Any political action that could influence the organization is considered at this stage of the process. Most commonly, tax law is the largest political issue that will affect the average business. For companies that deal with importing and exporting, trade restrictions could also play a major role in the future health of the business. Economic Factors. This is the economy as a whole, and the way it could affect what an organization is trying to do. Both interest and exchange rates can be powerful forces in the future planning of an organization, and they would fall into this category. Social Factors. The social influence over a business is typically on the consumer end. For example, a company that produces a high-calorie snack food might be negatively influence by a trend toward healthier eating and living. Likewise, a business that sells newspaper advertising could be hurt by fewer and fewer consumers reading the paper. Understanding and adapting to social trends is crucial for long-term success. Technological Factors. Any way that technology can either threaten or improve what an organization does should be included in this part of the PESTLE analysis. A company that hand-makes a product for a high cost can be in trouble when a new technology allows for mass production of the same good. Also, companies can find ways to streamline and increase profits when technology allows them to improve efficiency. Legal Factors. If there are any changes to the law looming in the future, those could be important factors for a business to consider. Employment law, like the minimum wage, is a big topic that can have a huge effect on every business. Environmental Factors. There is more focus on the environment now than ever before, and businesses need to take note. Natural resources are not infinite, and companies that rely on the earth to provide for their processes might find themselves lacking in the near future. Planning ahead for environmental issues is key to sustained growth. The Advantages and Disadvantages of the PESTLE Analysis The positive of using a PESTLE analysis is that it can give you a good overall picture of the status of an organization, both now and into the future. When you have completed a thorough PESTLE analysis, there should be no issue that hasn't been covered and you will have predicted the future as well as can be expected. No manager can completely forecast what is coming down the road, but this method will give you a good change at trying to dodge major problems and help the organization stay on track. The downside to using the PESTLE method is that many of the factors might not relate to your specific issues or business. In fact, many managers will find that really only one or two of the factors are of major concern for their decision making. This fact renders the rest of the process useless and it could possibly waste time before that realization is reached. Overall, PESTLE analysis is a quality tool that holds value for the managers of today. The more inputs you can consider and the more change you can forecast, the better manager you will be. Adding PESTLE analysis to your toolbox of skills is a great way to stay ahead of the game. A PESTLE analysis template is a tool that enables you to understand how some elements might affect your business. PESTLE stands for Political, Economic, Social, Technological, Legal, and Environmental factors. They are external factors that represent threats and opportunities to your organization. PESTLE analysis focuses on factors outside a business's control and can affect risks and opportunities. On the other hand, SWOT analysis focuses on a business's internal factors that are controlled by the business but can affect its weaknesses and strengths.Organizations use PESTLE analysis to track, discover, organize, and evaluate the macroeconomic factors underlying their business outcomes. This analysis is useful as it helps inform budget allocation, strategic planning, and market research.You should do a PESTLE analysis when you want to make a strategic assessment of where you stand and what you may go through in the future. This is useful when planning organizational change, marketing, product and business development, and research. The six factors of a PESTLE analysis are explained below:Political: Organizations are affected by politically motivated or political factors. For example, trade restrictions and trade policy, government policy, copyright laws, or environmental laws might affect your company. When conducting a PESTLE analysis, you must ask: What political elements could disrupt or benefit our company? Economic: Economic factors can be detrimental or beneficial for your business. For example, seasonal changes, industry growth, exchange rates, growth rates, unemployment rates, interest rates, and taxation can potentially impact businesses. When measuring the economic factor, you must ask: What factors might affect the company's revenue? Social: Social trends might affect your customers. For example, beliefs about money, leisure, lifestyles, and immigration can affect your business. When evaluating the social factor, you must ask: How do the customers' values influence their buying decisions? Technological: Technology can impact your organization's capability to market services and products. For example, legislation around technology, communications and technology infrastructure, and research and development impact most organizations and businesses. When assessing the technological aspect, ask: How technology might affect our success and growth? Legal: Legal factors can have an impact on the operations of your organization. For instance, labor laws and consumer laws might affect your organization. When assessing the legal factor, you must ask: How might legal frameworks jeopardize the ability of your organization to operate? Environmental: Some industries, such as farming, tourism, and agriculture, are sensitive to changes in the environment. For example, weather, climate change, and geographic location might affect a company's business decisions. When evaluating the environmental factor, you should ask: How might the environmental changes hinder or help our company's operational ability? Brainstorm the various PESTLE factors: Consider the six PESTLE factors that might affect your business: political, social, economic, legal, technological, and environmental. Hold a brainstorming session or invite your team members to brainstorm and come up with ideas. The goal should be to identify specific ways in which these factors can affect your business and the way you might deal with these factors. Rank the factors based on the level of impact they might have on your organization. Discuss discrepancies in ratings if there are any significant ones. Allow space and time for the people to make up their minds. Adjust the rankings according to the input of your team members. Share your analysis: After the analysis is complete, share the completed analysis with relevant stakeholders. Keep the stakeholders informed about what you decide to do with the external factors that can affect your business. Repeat: Repeat the PESTLE analysis to keep your processes and strategies up to date. This will enable you to stay informed and knowledgeable about the important factors you need when strategizing the business.PESTLE Analysis Template Excel 1 PESTLE Analysis Template Excel 2Use this Miro template to identify the factors that may affect your business.PESTLE Analysis Template - MiroThe Lucidspark PESTLE analysis template enables you to identify and monitor external factors that might impact your business.PESTLE Analysis Template - LucidsparkUse the ClickUp PESTLE analysis template to prevent risks, prepare for losses, and understand the capabilities of your business. Equip your organization with comprehensive strategy and planning using this template.PESTLE Analysis Template - ClickUpUse the Creately online template to collaborate with your team members and export the results of the PESTLE analysis to multiple formats.PESTLE Analysis Template - CreatelyUse the Notion PESTLE analysis template to assign properties, add attachments, and write notes.PESTLE Analysis Template - NotionSome best practices for conducting a PESTLE analysis are:Collaborate to identify more risks. Use resources and expertise within your organization. You can use other techniques of PESTLE analysis, such as Porter's Five Forces, SWOT analysis, scenario planning, or competitor analysis, along with PESTLE analysis. Use PESTLE analysis to monitor changes in the business environment. Avoid obtaining huge amounts of information without understanding and analyzing the findings appropriately.PESTLE analysis can be used to identify external risks in risk management plans. It identifies risks under the headings of Political, Social, economic, Legal, Technological, and Environmental.PESTLE analysis should be done every six months to identify macro-environmental changes.PESTLE examines the external environment of a company.PESTLE analysis is cost-effective and provides a deep understanding of the alertness of threats and business and a way to exploit opportunities. Shane Drumm, holding certifications in PMP®, PMI-ACP®, CSM, and LPM, is the author behind numerous articles featured here. Hailing from County Cork, Ireland, his expertise lies in implementing Agile methodologies with geographically dispersed teams for software development projects. In his leisure, he dedicates time to web development and Ironman triathlon training. Find out more about Shane on shanedrumm.com and please reach out and connect with Shane on LinkedIn. We've collected the most effective political, economic, social, and technological (PEST) analysis templates for assessing how they relate to and impact your organization. Find options for marketers, analysts, business owners, students, and more. Included on this page, you'll find a simple PEST analysis template, a PEST diagram presentation template, a PESTEL analysis template, and a basic PEST matrix template, among others. You can also find details about a PEST analysis template, why to perform a PEST analysis, who should use it, and the difference between SWOT and PEST analysis. Plus, we have tips on how to use each template successfully. Download a PEST Analysis Template for Excel | Microsoft Word | Adobe PDF | Google Docs | Google SheetsEnsure that business analysts, marketers, business owners, and other stakeholders agree on how PEST factors might affect your organization with this easy-to-use PEST analysis template. List the political, economic, social, and technological (PEST) elements that are available for the strategic management of your company. This template is the perfect tool for you and your team to record key PEST components, and then assess how these factor into the current and future health of your business. For free resources and templates related to strategic planning, check out our definitive guide to strategic marketing planning. Download a PEST Diagram Presentation Template for PowerPoint | Google Slides Use this visually dynamic, presentation-ready PEST diagram template to bring stakeholders up to speed on the results of your PEST analysis and the impact it has on your company. Use this template to list the political, economic, social, and technological aspects that influence your company, so that you can proactively address them and determine the future impact they'll have on your business. Completing this template will help ensure that you account for all PEST components and be ready to show stakeholders a slide that details their current and future potential effects. Check out this article on how to use strategic planning framework and models to help ensure your team is on track. Download a PESTEL Analysis Template with Sample Text for Excel | Microsoft Word | PowerPoint Download a Blank PESTEL Analysis Template for Excel | Microsoft Word | PowerPoint Account for all PEST facets, as well as environmental and legal (PESTEL or PESTLE) factors, with this simple-to-apply PESTEL analysis template. Under each PESTEL representative letter's section, list how each currently affects your organization and the potential future impact for political, economic, social, technological, environmental, and legal aspects. This all-in-one analytical template is available blank and with sample text. Use it to help your team stay updated on macro factors facing your company, and let it inform a strategy on how to address them, so that your business continues to flourish. Download a Basic PEST Matrix Template for Excel | Microsoft Word | Adobe PDF | Google Doc | Google SheetsTrack the political, economic, social, and technological elements that face your business and better prepare for any significant shift in each. This basic template includes generous space for each PEST factor, so that you and your team can view them side by side and determine how considering them, in light of your business, might require a strategic course of action. To enhance your company's internal audit and analyses of factors such as PEST and how they relate to the success of your business, check out these free competitive analysis templates. Download a SWOT and PEST Analysis Template for Excel | Microsoft Word | PowerPoint Keep all business stakeholders in the know with this template that offers a comprehensive, comparative SWOT and PEST side-by-side analysis. While SWOT elements factor in your company's strengths, weaknesses, opportunities, and threats, PEST components account for how external elements, including political, economic, social, and technological factors, relate to your company. By evaluating SWOT and PEST factors side by side, you gain an understanding of not only your organization's strengths and vulnerabilities, but how external factors — most of which are out of your control, such as political and economic — affect your company and its future viability. For SWOT analysis templates and resources, check out this unique article with 14 free SWOT analysis templates. A PEST analysis template provides a framework for organizations to analyze the political, economic, social, and technological components facing them. Use a PEST analysis template to assess these factors' current effect on your business and their future impact. A PEST analysis template includes space to list the following components and their relation to your company: P. Describe the political factors facing your company. These include regulations, taxes, government oversight, legal issues, trading and embargo policies, and more. E. List any economic factors related to your company. Look at such factors as inflation, interest rates, economic growth, business cycles, and employment rates. S. Consider the social factors that affect your company. Take into account how culture, race, demographics, education, lifestyle trends, and so on impact your organization. T. Include the technological factors that your company needs to consider, such as intellectual property, patents, licenses, manufacturing innovations, and recent technological developments. Perform a PEST analysis for your organization to consider the significance of the political, economic, social, and technological macro-environmental factors. Identifying these factors can help a business see their current and future effects on the company's viability. Organizations that want to keep proactively aware of shifts in external trends should perform a PEST analysis. Without one, a company might seem on sound footing, but still needs to understand the overall business environment to plan for the future. A SWOT analysis factors in a company's internal strengths, weaknesses, opportunities, and threats. A PEST analysis examines political, economic, social, and technological external factors. They both look at the current impact and future projections for a company. Empower your people to go above and beyond with a flexible platform designed to match the needs of your team — and adapt as those needs change. The Smartsheet platform makes it easy to plan, capture, manage, and report on work from anywhere, helping your team be more effective and get more done. Report on key metrics and get real-time visibility into work as it happens with roll-up reports, dashboards, and automated workflows built to keep your team connected and informed. When teams have clarity into the work getting done, there's no telling how much more they can accomplish in the same amount of time. Try Smartsheet for free, today. Try Smartsheet for Free Get a Free Smartsheet Demo Skip navigation Discover what PESTLE means, and use our PESTLE analysis template and example to explore the external influences on your organisation A PESTLE analysis studies the key external factors (Political, Economic, Sociological, Technological, Legal and Environmental) that influence an organisation. It can be used in a range of different scenarios, and can guide people professionals and senior managers in strategic decision making. Member tool: CIPD Buddy BETA Experiment with AI to find answers on this topic with our prototype. Login to explore CIPD Buddy It is a broad fact-finding activity around the external factors that could affect an organisation's decisions, helping it to maximise opportunities and minimise threats. It audits six external influences on an organisation: Political: Tax policy; environmental regulations; trade restrictions and reform, tariffs, political stability and war. Economic: Economic growth/decline; interest, exchange, inflation and wage rates; minimum wage; working hours; unemployment (local and national); credit availability, cost of living. Sociological: Cultural norms and expectations; health consciousness; population growth rates; age distribution; career attitudes and influences; health and safety. Technological: New technologies are continually emerging (for example, in the fields of robotics and artificial intelligence), and the rate of change itself is increasing. How will this affect the organisation's products or services? Legal: Changes to legislation impacting employment, access to materials, quotas, resources, imports/exports, and taxation. Environmental: Global warming debate and the increased need to switch to sustainable resources; ethical sourcing (both locally and nationally), including supply chain intelligence. Pandemics and other emergencies. By analysing these factors, organisations can assess any risks specific to their industry and organisation, and make informed decisions aligned to current and future plans. It can also highlight the potential for additional costs, and prompt further research. PESTLE analysis is part of the core knowledge on enabling change and the core behaviour commercial drive in the CIPD Profession Map. A PESTLE analysis is a management framework and diagnostic tool. The outcome of the analysis will help you to understand factors external to your organisation which can impact upon strategy and influence business decisions. The PESTLE tool. PESTLE is an acronym for: P = PoliticalE = EconomicS = SocialT = TechnologyL = LegalE = EnvironmentalLet's look at each of these factors more closely. POLITICAL: When looking at Political factors you will need to take into account your country's government policies and political stability. Other factors will include tax implications, industry regulations and global trade agreements and restrictions. ECONOMIC: Economic factors will include exchange rates, economic growth or decline, globalisation, inflation, interest rates and the cost of living, labour costs and consumer spending. SOCIAL: Social factors look at trends such as lifestyle factors, cultural norms and expectations such as career attitudes and work-life balance. It also concerns itself with consumer tastes and buying habits as well as population demographics. TECHNOLOGY: Technology has grown exponentially. How is your business responding to technological innovation in your products and services? Other technological advancements will impact on data storage, disruptive technologies such as smartphones, social networking, automation robotics and the increasing shift towards AI artificial intelligence? LEGAL: Shifts in the Legal landscape are constantly changing especially here in the UK. Employment labour law and employment tribunal decisions impact upon working practices continuously. It is also important to keep up to date with all changes in legislation and of course Health and safety regulations. ENVIRONMENTAL: Does your business have a direct impact on the environment? Political sanctions now govern carbon emissions and a move towards sustainable resources such as wind turbines and recycling. This area also covers CSR corporate social responsibility and ethical sourcing of goods and services which in turn has a direct impact on procurement and your businesses supply chain management. Next steps: Once you are clear on the main overarching factors included in a PESTLE analysis the next challenge is to relate this in real terms into the industry sector you work in. Good luck. Follow these steps: Identify the scope of the research. It should cover present and possible future scenarios, and be applicable to the industry and regions in which the business operates. Decide how the information will be collected and by whom. Identify more than one person or team to gather data to bring diverse evidence and perspectives. Identify appropriate sources of information. You may find some areas of PESTLE are a bigger focus to your industry than others but exploring information for all of them will give you a wider view of the external environment. Gather the information - you can use the template below. Analyse the findings. Mark each item in terms of importance in relation to potential risk to the organisation. Identify the business options to address the issues. Disseminate and discuss the findings and potential impact with stakeholders and decision makers. Decide what actions need to be taken, and trends to be monitored. To be effective, a PESTLE analysis needs to be done regularly. Doing so can help organisations to spot trends early, and provide a competitive advantage. You can download a PESTLE analysis template below. We've also created an example based on a fictitious retail sector organisation which shows how PESTLE factors have been analysed and interpreted. Some useful tips for carrying out a PESTLE analysis: Collaborate - multiple perspectives can identify more risk. Use expertise and resources within the organisation. Use PESTLE analysis alongside other techniques, such as SWOT analysis, Porter's Five Forces, competitor analysis, or scenario planning. Incorporate a PESTLE analysis into an ongoing process for monitoring changes in the business environment. Avoid collecting vast amounts of detailed information without analysing your findings appropriately. Don't jump to conclusions about the future based on the past or present. By auditing the external environment, a PESTLE analysis can detect and understand broad, long-term trends. This can support a range of business planning situations, such as: Strategic business planning It provides contextual information about the business direction, its brand positioning, growth targets, and risks to productivity. It can help determine the validity of existing products and services and define new product development. Workforce planning It helps to identify disruptive changes to business models that may profoundly affect the future employment landscape. It can identify skills gaps, new job roles, job reductions or displacements. Marketing planning It provides the 'climate' element in the situation analysis phase of the marketing planning process. It can help prioritise business activities to accomplish specific marketing objectives within a set timeframe. Product or service development By monitoring external activity, it can help inform whether to enter or leave a route to market, determine if a product or service still fulfils a need, or when to launch a new product. Organisational change It helps recognise the context for change, and is most effective when used in association with a SWOT analysis to understand opportunities and threats around labour changes, such as skills shortages or current workforce capabilities. People strategies, reports and projects It can be used as a framework to look outside the organisation to hypothesise what may happen in future and what should be further explored. It can ensure that some basic factors are not overlooked or ignored when aligning people strategies to the broader organisation strategy. It's a simple framework. It facilitates an understanding of the wider business environment. It encourages the development of external and strategic thinking. It can enable an organisation to anticipate future business threats and take action to avoid or minimise their impact. It can enable an organisation to spot business opportunities and exploit them fully. Some PESTLE analysis users oversimplify the amount of data used for decisions - it's easy to use insufficient data. The risk of capturing too much data may lead to 'paralysis by analysis'. The data used may be based on assumptions that later prove to be unfounded. The pace of change makes it increasingly difficult to anticipate future developments that may affect an organisation. To be effective, the process needs to be repeated on a regular basis. Blank PESTLE template PDF Completed PESTLE example PDF Explores what organisation development is and how it's carried out in today's organisations Learning and development (L&D) and organisational development (OD) functions are both vital to drive growth and change but often operate in their own spheres. But why is that, and should they be more aligned? Learn about the SWOT framework, the process of a SWOT analysis, and its advantages and disadvantages Explore what organisation design is and how it can be done effectively in today's organisations Effective HR decision-making is based on considering the best available evidence combined with critical thinking. Explores what organisation development is and how it's carried out in today's organisations Learn how an understanding of the macro-economic context can inform HR practice Learn about defining, measuring and reporting human capital, and how HR can use human capital information to drive performance Factsheets