

# PESTLE Analysis

**This is a model which enables you to analyse the external environment in which the organisation operates**

**P** – Political - The current and potential influences and drivers

**E** - Economic - The local, national and world economy impact

**S** - Sociological – Societal and Cultural attitudes and aspects

**T** - Technological – Current and potential technological advances, imperatives and innovations

**L** - Legal – Current and pending local, national and world legislation

**E** - Environmental - The local, national and world environmental issues and considerations

| Factor        | Likely to include   |
|---------------|---|
| Political     | Tax Policy, employment laws, environmental regulation, trade restrictions and tariffs and political stability.  |
| Economic      | Funding mechanisms and streams, business and enterprise directives, internal funding models, budgetary restrictions, income generation targets  |
| Sociological  | Societal attitudes to education, particularly in relation to government directives and employment opportunities. Also general lifestyle changes, changes in populations, distributions and demographics and the impact of different mixes of cultures |
| Technological | Major current and emerging technologies of relevance  |
| Legal         | European and national proposed and passed legislation   |
| Environmental | Local, national and international environmental impacts, outcomes of political and social factors   |

*The key to using the PESTLE Analysis methodology is to translate analysis into action.*

*To facilitate this your analysis under each heading should cover the following 4 areas:*

- *Relevant Factors*
- *Analysis of Impact*
- *Likelihood of the occurrence*
- *Actions to strengthen or mitigate*

*This moves it from being an academic or conceptual exercise to a business tool that leads to focused action and business success*