



Future Talent Learning

Creating a PESTLE Analysis

A PESTLE (sometimes PESTEL) analysis is a tool used to explore a range of external environmental factors that can affect our organisation or a project.

It can be used during the analysis phase of strategic planning or if we want to assess potential environmental impacts on our organisation or a new project.

PESTLE stands for

Political

Economic

Social

Technological

Legal and

Environmental.

It invites us to analyse our organisation or project in the light of each of the six factors. Here are some ideas of the kinds of factors you might consider under each category:

Political factors might include:

- The impact of government policy
- Political instability or corruption
- Trade policy, tariffs or restrictions
- Tax policy
- Fiscal policies

Economic factors might include:

- Economist growth or recession
- Exchange rates
- Inflation rates
- Interest rates
- Consumer purchasing power
- Unemployment rates
- Foreign exchange rates

Social factors might include:

- Population growth or decline
- Age distribution
- Cultural attitudes and trends
- Social norms and pressures
- Lifestyle attitudes

Technological factors might include:

- Levels of automation
- R&D expenditure
- Technological awareness
- Rate of technological change

Legal factors might include:

- Regulatory environment
- Company legislation
- Employment and discrimination legislation
- Consumer laws and protection
- Safety standards
- Copyright and patent protection

Environmental factors might include:

- Impact of climate change
- Environmental policies
- Geographical location
- Pollution
- Natural disasters
- Protest and lobbying



Conducting a PESTLE analysis

Your analysis might follow a four-step process:

Brainstorm and consult

Use the template below to identify the PESTLE factors that might be relevant for your organisation or project.

Brainstorm with a cross-section of people together from different areas and functions within your organisation or project. Consider not just what's already happening, but also what might happen.

You might also solicit opinions from stakeholder and experts from outside your organisation or project. These could be customers, distributors, suppliers or consultants.

Research

Gather evidence for each insight in your PESTEL analysis. Look not just for evidence to support your insights, but also for evidence that might contradict it. Test your assumptions.







Evaluate

Assess each of the items on your PESTEL analysis for likelihood and impact.

Refine

Narrow down your insights until you have short, manageable lists of factors in each category.

Review your analysis on a regular basis.

PESTLE analysis		
	Date:	
	Political factors	
	Economic factors	
	Social factors	
	Technological factors	
	Legal Factors	
	Environmental factors	

