

Sayers Solutions' Summer School

PEST analysis

Similar looking template to the SWOT, however this time the PEST focuses on the macro environment and is a technique for analysing the influences external to your organisation.

It breaks down the external factors which impact the business, segmented according to **political, economic, socio-cultural,** and **technological** aspects.

These macro influences are outside of the control of the organisation. While you cannot change them, they can change you!

They can also provide you with interesting content as part of your marketing communications. It will enable you to identify topics to use in your marketing communications, providing you points to share with others and comment on which affect you or your customers' industry – demonstrating that you are an expert in your field.

If you want to take it a step further, especially in these changing times, you can extend it to a PESTLE; taking into account the legal and environmentally aspects and implications of your industry.

Sayers Solutions suggests focusing on the first main 4 – PEST – especially on your first attempt. Unless of course, your business would particularly benefit from focus in those areas.

However, when repeating the exercise, to deepen the understanding, extending it to include these extended breakdowns of the external environment, is recommended.

What external influences could impact your business?

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Here is a broad list for each section. Try looking through and identifying areas you are aware of and which you might need to improve your knowledge on.

<p><i>Political</i></p> <ul style="list-style-type: none"> • ecological/environmental issues • legislation (current, future, home market, international) • regulatory bodies and processes • government policies • government term and change • trading policies • funding, grants and initiatives • home market lobbying/pressure groups • international pressure groups • wars and conflicts 	<p><i>Economic</i></p> <ul style="list-style-type: none"> • home economy situation and trends • overseas economies and trends • general taxation issues • taxation specific to product/services • seasonality/weather issues • market and trade cycles • specific industry factors • market routes and distribution trends • customer/end-user drivers • interest and exchange rates • international trade/monetary issues
<p><i>Social</i></p> <ul style="list-style-type: none"> • lifestyle trends • demographics • consumer attitudes and opinions • media views • law changes affecting social factors • brand, company, technology image • consumer buying patterns • fashion and role models • major events and influences • buying access and trends • ethnic/religious factors • advertising and publicity • ethical issues 	<p><i>Technology</i></p> <ul style="list-style-type: none"> • competing technology development • research funding • associated/dependent technologies • replacement technology/solutions • maturity of technology • manufacturing maturity and capacity • information and communications • consumer buying mechanisms/technology • technology legislation • innovation potential • technology access, licencing, patents • intellectual property issues • global communications