



PESTLE

PESTLE is a strategic analytical technique used to understand the impact of macro-environmental factors on an organisation. The term is an acronym for political, economic, sociological, technological, legal, and environmental, as it is the influence of these forces that is considered. The technique is frequently used to analyse potential opportunities or threats that an organisation may face, or to assess the probability that an innovation would be successful.

Using 'PESTLE'

Step 1: Initially, a list is created of the PESTLE factors that may impact on a specific organisation. These may include, for instance, taxation, labour conditions and stability; the availability of capital, buying power of customers, import or export conditions; the age distribution of the work force, education level, the importance of privacy or security; the role of automation; laws or guidelines; and consideration of pollution or climate change

Step 2: Relevant data is gathered through brainstorming or research that provides answers to each of the items listed in the previous step, categorised under the PESTLE factors.

Step 3: Opportunities and threats are identified under each of the six factors and the potential impact of each to the organisation is considered.

Step 4: Action is taken in order to obtain the full advantage possible from opportunities and to mediate threats to the greatest extent possible.

