



PESTLE Analysis

PESTLE Analysis is an analytical technique used for the strategic analysis of organizational surroundings. **PESTLE** (sometimes also **PESTEL**) is an acronym and each letter represents a **different type of external factors**:

- › **P - Political** - existing and potential effect of political influences
- › **E - Economical** - effect and influence of local, national and global economy
- › **S - Social** - projection of social changes inside the organization, cultural influences are also part of it (local, national, regional, global)
- › **T - Technological** - effects of existing, new and advanced technologies
- › **L - Legal** - effects of national, European and international legislation
- › **E - Ecological** - local, national and global environmental issues and questions of its solution

The essence of the analysis is to identify for each of the factors the most important phenomena, events, risks and influences that affect or will affect the organization. PESTLE method is part of the methods used in impact analysis. Sometimes is used for analysis of **external factors** in SWOT analysis.

Sometimes, it is used similar simplified version called PEST analysis:

- › **P - Political** - existing and potential effect of political influences
- › **E - Economical** - effect and influence of local, national and global economy
- › **S - Social** - projection of social changes inside the organization
- › **T - Technological** - effects of existing, new and advanced technologies

Sometimes it is used the term/acronym **STEEPLED analysis**, where the factors are identical to the **PESTLE**, but there are added ethical and demographic factors.

Alternatively, it is used the name of **STEER analysis**, when the identical factors are arranged as follows:

S - Socio-cultural factors T - Technological factors E - Economic factors E - Ecological factors R - Regulatory factors (legislation as the regulation)

Related terms and methods:

- › 10 megatrends
- › Culture
- › Disruptive technology, disruptive innovation
- › Economics
- › Environment
- › Externalities
- › Five Forces Analysis
- › Hypercompetition
- › Legislation
- › Surroundings
- › Surroundings characteristics
- › SWOT Analysis
- › Technology
- › Turbulence

Related management fields:

- » Decision making
- » Forecasting
- » Planning
- » Risk Management
- » Strategic Management