PESTLE ANALYSIS

ENVIROMENTAL

POLITICAL

LEGAL

THE ORGANIZATION

ECONOMIC

TECHNOLOGICAL

SOCIO DEMOGRAPHIC

PESTEL analysis is a tool used to analyze the external environment that can impact a business or industry. It helps identify opportunities and risks by looking at six key factors:

- **P - POLITICAL:**

These are government policies, regulations, or political stability that affect businesses.
Example: Changes in tax laws, trade restrictions, or elections.

- **E - ECONOMIC:**

These factors deal with the overall economy and its impact on businesses.
Example: Interest rates, inflation, unemployment, or economic growth.

- **S - SOCIAL:**

These factors involve society, culture, and trends that influence demand for products or services.
Example: Changing lifestyles, aging population, or preferences for healthy food.

- **T - TECHNOLOGICAL:**

These refer to advances in technology that impact how businesses operate.
Example: New innovations, automation, or the rise of e-commerce.

- **E - ENVIRONMENTAL:**

These are environmental and sustainability issues that businesses must consider.
Example: Climate change, pollution control, or renewable energy policies.

- ## L - LEGAL:

These are laws and regulations that businesses need to follow.

Example: Employment laws, health and safety standards, or intellectual property rules.

IN SIMPLE TERMS:

PESTEL helps businesses understand the "big picture" of the world around them and how external factors (like government decisions, economy, and new technologies) can influence their growth, risks, or strategies.

FOR EXAMPLE:

If a company wants to expand into a new country, PESTEL will help it understand that country's politics, economy, and social culture before making a decision.