

# Pest analysis theory explanation

[Finance](#), [Financial Analysis](#)



Name: Kimberly Hodge 1. Using APA citations to support your statements, explain what a PEST table is and why it is important to an organization (1-2 paragraphs). Pest Analysis is a frame work that strategy consultants uses to scan the mircoenvironmentin which the firm operates. (Value Based 2013) PEST is Political, Ecomonic, Social factor and Techonolgies factors. Companies will use this in workshops and it will make the managmenets brainstorm techniques using PEST for strategic plannings, marketing planning or development in the business or the production. (Value Based 2013) 2.

Include an explanation of the organization and environment you are focusing on in the PEST table (3-5 sentences): I answer #4 before I answer this one. It is combine of both questions. The organization would be my bike shop. I would use this table to think how this would affct my employees and the consumers. Political section, with the Furlough going on and unemployment numbers are going up.. I need to be aware that I will have good days and bad days with sales. The next couple months were be good month because income refunds are coming in and people want to buy and spend but then at the same time consumers may be saving as well.

International trades will be affecting my bike shop because some of the bikes are shipped from France, Switzerland and other countries. I need to be aware this could affect my business as well.. Social is a huge impact for any business. And I think economic influences social a lot. Then Technologies, there are always new gadgets that are being added to the bikes or can be purchased to add to the bike. As a management, I have to be aware that when I promote newtechnology, I need to let them know what is new and

how does it work. 3. 4. Identify 3-5 items in each category and post them in the PEST table below.

Provide enough detail to explain your thoughts for each item. One or two lines will suffice for each item; please avoid using one-word, generic items within the table.

**Political**1. Tax policies2. political stability3. safety regulations4. international trade regulations and restrictions5. contract enforcement law consumer protection| **economic**1. stage of the business cycle2. consumer confidence3. exchange rates/inflation rates4. Interest rates and monetary policies5. unemployment policy| **SOCIAL**1. income distribution2. labor/social mobility3. lifestyle changes4. health consciousness and welfare, feelings on safety5. living conditions| **TECHNOLOGY**1. government research spending2. new inventions and development3. energy use and costs4. rate of technology transfer5. life cycle and speed of technological obsolescence| 5. If you were the leader of the organization used here, how would you utilize the information in the PEST graph, and what changes would you make based on your results? How would those changes affect the success of the business? (1-2 paragraphs) When I am leader of the organization, I will need to look each category and determine what are affecting our people in our country.

People may be looking for changes or having trouble adapting to changes. Why are the changes happening like the example in the book talking about when the records were going out and the CD were coming in and it happened almost over night. This means people who had record players did not have CD players.. The customers had to buy CD players before they could buy the CD. This is what I need to look, what will happen if I change

something, does this mean the consumers will have to spend money to make something adapt to something such as CD player. With the government changes laws, it affects our people.

Like recent event, the Furlough, I know some people are losing two days of work per payperiod, this will affect their paychecks which will affect the social. So as a leader, we have to look how each category will affect the next.

6. References (please use proper APA set up as you construct the reference list): Valued Based Management. Net (January 2, 2013) [http://www.valuebasedmanagement.net/methods\\_PEST\\_analysis.html](http://www.valuebasedmanagement.net/methods_PEST_analysis.html)

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In depth responses to all questions	40	General Writing and APA compliance
	10	Total
	50	