

# [The best and worst times to use pestle analysis](https://assignbuster.com/the-best-and-worst-times-to-use-pestle-analysis/)

[Business](https://assignbuster.com/essay-subjects/business/)

You’re ready. You’ve done your research. You know PESTLE is an analysis. It’s an acronym highlighting seven macro environmental, impeding factors. Which basically means there are seven major influences that can affect a business.

* Political
* Economic
* Socio(cultural)
* Technological
* Legal
* Environmental

You’ve likely seen examples of PESTLE analysis (available right here!) but that typically doesn’t explain the best and worst times to use it. You don’t want to waste valuable time on something that isn’t going to benefit you, right?

Let’s get a better understanding of when it’s time to break out the ole research and data for your PESTLE analysis, but also, when it’s time to call it a day.

## The best times for a PESTLE analysis

Truthfully, you can do a PESTLE analysis whenever you want. It’s completely up to you. But sometimes, a proper PESTLE analysis can offer advantages triggered by the timing and situation. These are the optimal moments to conduct and use the analysis.

1. When launching a business

A business is impacted by the seven factors found in PESTLE.

Honestly, it’ll be impossible to run a legal business without following the predetermined political laws and regulations. But some businesses have more to consider than others. For example, e-commerce businesses need to follow strict technological laws. If these e-commerce sites conduct business internationally, they’re impacted by taxation and political stability in these other locations too.

But that’s only discussing political, technological, and legal factors. You can’t forget the rest!

Going into business unaware of the possible restrictions will only brew trouble. Perhaps not right now, but when it’s time to launch a product or expand, you may find yourself blindsided. Prevent that happening by conducting a PESTLE analysis early on.

2. When you’re facing problems

Trouble has arrived. You want to take care of it sooner than later to minimize any long-lasting damage. Many people often want to move on as quickly as possible afterwards. That’s normal.

But did you know that right now is the perfect time for a PESTLE analysis?

You’ve unconverted one issue. As relieved as you are, it’s possible there’s more, lurking under the surface. And since you’re already on alert, it’s easier to notice previously invisible cracks. To make sure all your bases are covered, it’s time to break out that trusty PESTLE analysis.

Consider this: Even if you only had a technological issue, it doesn’t necessarily end there. Say your website was overwhelmed by an influx of customers. The site went down. Orders couldn’t go out. That’s pretty disastrous, even if the blackout only lasted an hour. Even though servers have stabled, it doesn’t mean everything is perfect now.

Customers may have went elsewhere to complain about “ poor service“. They could even be rioting on social media, making up disastrous hashtags that drag the company’s brand image through the mud. Now you have a customer (or social) problem to contend with.

3. When your analyst is on the case

Many business owners will hire a business analyst to improve working conditions and employee communication. These people are experts in analysis and problem-solving. Strapped to their hip is a tool belt filled with varying types of analysis to get the answers they need.

That may involve a PESTLE analysis. The information may revolve around solving a specific problem, but the data could be beneficial for other situations. It may even bring something to your attention, such as a need to improve eco-friendliness – not just as a means to improve customer approval – but as a vehicle promoting improvements with production and product distribution.

While your analyst is on the case to solve an issue, it may be the perfect time to discuss how PESTLE analysis could be beneficial (if they’re not already doing one).

## The worst times for a PESTLE analysis

On the contrary, it’s not always time for PESTLE analysis. In may eat up far too much time, depending on your situation. Or another analysis may be a better substitute. In these cases, it may be optimal to shelve the analysis for a later date. Like in these situations.

1. Right before a product launches

2 minutes until product launch… is it too late for a PESTLE analysis? Yes. It really is.

A PESTLE analysis highlights key influences you should keep in mind while building a business or product. If you’re about to launch a product but haven’t done any social/customer research… well, it’s a bit too late to use PESTLE this launch.

It sounds crazy to not consider what influences will affect how and what people will buy. But it happens. A lot. People get too excited about an idea and hop into “ build” mode. They figure they’ll deal with any fallout later… but that’s just bad business practice, right?

You won’t have the time to do a PESTLE analysis as the product is launching. You’ll be pulled into many different situations and researching won’t be one of them (until later).

Don’t wait until it’s too late.

2. As a means to improve communication

A problem arises among employees. The managers and the employees aren’t seeing eye-to-eye. They’re having a difficult time communicating. No, now is definitely not a time for PESTLE analysis.

For one, this is an internal problem. It’s likely the seven factors of PESTLE aren’t impacting the ability to communicate within the company. And two, this analysis can take awhile to complete. By that time, the situation may have worsened.

Production could have slowed down. Maybe managers are on the verge of walking out. Customer satisfaction is waning and the complaints are rolling in. This is the type of situation that requires immediate intervention.

PESTLE analysis isn’t an “ immediate intervention” study. You won’t be getting quick answers because it can take hours or even weeks to complete.

And then? It can take even longer to fortify the information and put it into use. For any problem requiring a quick fix, even if it’s just a temporary band-aid, PESTLE won’t be your go-to response.

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