

A pest analysis template for any industry or business

[Business](#)



PEST analysis shows how external factors affect the status of your business. You'll examine four sections: political factors; economic factors; social factors and; technological factors.

PEST analysis applies to any industry, idea, or business. In this article, we'll be giving you a PEST analysis template and an explanation of each section.

Starting with the executive summary.

Executive summary — The foundation

The executive summary is placed at the start of the report. It mentions your company and the reasoning behind the analysis.

You can include:

- The purpose of your business
- Mission/vision statements
- Problem company faces
- Results of the report
- Recommendations
- Findings and conclusions

After this, we can dive straight into the four categories that make up PEST analysis. Starting with...

1. Political factors — Rules and regulations

Political factors are enforced by governing laws. Which laws you follow depend on the product you sell or the industry you're in. For example, food

products within the United States of America must follow strict guidelines from the FDA.

You need to make a list of every political factor that can affect your business. Here are a few things to consider.

- Data protection law
- Regulation and deregulation
- Health and safety law
- Environmental law
- Tax policies (tax rates and incentives)
- Competition regulation

And there's more where that came from.

Next, we move into the economics — the stuff that can dry up the money well in your business.

2. Economic factors — Taxes and buying patterns

Taxes are set in stone long before you light up the OPEN sign. Taxes affect profit, revenue, and pricing.

Additionally, percentages can affect business. The employment or unemployment percentage in a location affects buying patterns. If people are unemployed, they're buying what they need to survive. Expensive brands may be on their mind but not in their homes. This affects the profits of said brands.

Here are a few things to consider:

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- Interest rates
- Exchange rates
- Inflation
- Taxes
- Demand/supply

Economic factors directly affect the cashflow of business, so it's best to really dive into this part when doing your PEST analysis.

3. Social factors — Attitude and locations

Social factors are your consumers. You need to look at buying habits, emotional needs, and consumer behaviour in this section. Because these are the people who directly influence your sales.

Their social class, economic background, saving habits, and methods of communication are all factors to include and examine.

Specifically, you can also look at...

- Population growth rate
- Religion and beliefs
- Average disposable income level
- Family size and structure
- Investing habits
- Immigration/emigration rates

Customers buy or don't buy for a variety of reasons. Jumping inside their head to see why they would and why they wouldn't buy is required.

4. Technological factors — Every little thing

Technology can be directly involved with your products, like manufacturing technologies. It can also be your product itself if you're in the tech space.

Other things to include are what technology is available to your consumers. Are your customers tech savvy? Is it an advantage if they are?

Examine these technological factors in your PEST analysis template:

- Internet connectivity
- Wireless charging
- Automation
- Security in cryptography

Technology affects business regardless of industry. If you're into the cyber security sector, privacy and encryption mean everything. If you're starting a carwash, machines used inside the wash are important.

The point is, technology can bridge the gap between customers or push them far away.

Now...

You know what to include in your PEST analysis template. What matters is that every area is covered thoroughly.

An example template can be:

Executive summary: Purpose of the report; brief history of the business; report findings and conclusions.

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- Political factors: Explanation of how political factors can affect your business. Specifically breaking down laws and regulations you must follow for products to be sold legally.
- Economic factors: Address current sales and revenue; where the money is coming from. What expenses and which laws/taxes/inflation percentages are affecting the current cash flow.
- Social factors: Looking at your target customer. Who are they? Why do they need your product? What is affecting their spending habits?
- Technological factors: What technology does your business rely on each day? Go into depth, from manufacturing to website design, and everything in between.

(After this, you can include a conclusion or put the conclusion in your executive summary at the top).

Now, get to planning.

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