



ELM
COMMUNICATIONS

PESTLE ANALYSIS

ENVIRONMENTAL SCAN

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SCANNING YOUR ENVIRONMENT

Environmental scanning is the monitoring and analysis of an organisation's internal and external environments. It allows an organisation to detect early signs of opportunities and threats that may influence its current and future plans. It is an opportunity to gather information about the external world, stakeholders and internal staff and culture.

Basically, it gives you a bird's eye view of the whole environment you are operating in from many different angles when getting ready to launch a new product, plan or program. This is a critical part of communication strategy development. To be effective you need to understand what may impact your strategy and opportunities may be present.

"Practitioners who understand the internal and external environments in which their clients operate develop strategic communications plans that work; those who do not are less successful."

James Mahoney, Strategic Communications



PESTLE ANALYSIS

PESTLE is a mnemonic which in its expanded form denotes P for Political, E for Economic, S for Social, T for Technological, L for Legal, and E for Environmental. It is a series of questions that allow you to consider the broader operating environment for both internal or external strategies.

Not all of the questions will be applicable to your organisation or current project, but they will give you a starting point for your analysis. Remember not everything should be negative you should consider what opportunities exist in the environment as well.

POLITICAL

These factors determine the extent to which a government may influence the economy or a certain industry. Political factors include tax policies, Fiscal policy, trade tariffs etc. that a government may levy around the fiscal year and it may affect the business environment.

- What is the political situation of the country and how might it affect the industry/organisation?
- Is there an election or possible change of government that may change policy parameters?
- What is the current perception of the government to the organisation?
- Is there a Senate enquiry or senate estimates during the implementation?
- Are there certain politicians that could support or hinder this project?

ECONOMIC

These factors are determinants of an economy's performance and the impacts on the organisation or audience. Economic factors include inflation rate, interest rates, foreign exchange rates, economic growth patterns.

- What are the prevalent economic factors that could impact the project?
- Are economic factors impacting the audience?
- What is the current financial position of the organisation?
- Are there constraints that will impact the project?
- Are there any potential announcements in an upcoming budget that may impact the organisation?
- How may this announcement/project be perceived in the current economic environment (job rate, GDP, interest rates)?

SOCIAL

These factors scrutinize the social environment of the market, and gauge determinants like cultural trends, demographics, population analytics etc

- Are there cultural factors that need to be considered?
- What is the current perception or sentiment of this project?
- What else is impacting on society right now (COVID lockdown)?
- What is the current media environment?
- Are their broader societal concerns about this topic (ie, climate change, health, recycling, the environment)?
- Are there major social /lifestyle changes that should be considered?

TECHNOLOGICAL

These factors pertain to innovations in technology that may affect the operations of the industry and the market favourably or unfavourably.

- What technological innovations are likely to affect the organisation or audience?
- What current technological trends need to be considered?
- What is the audiences appetite for technology?
- Is there a lack of technology available that may impact the project?

LEGAL

These factors have both external and internal sides. There are certain laws that affect the business environment in a certain country while there are certain policies that companies maintain for themselves.

- Are there any current legislations that regulate the industry?
- Are there any major legislative changes on the horizon?
- Are there any regulatory bodies that need to be considered?
- What internal policies need to be considered? Is there policy changes on the horizon?

ENVIRONMENTAL

These factors include all those that influence or are determined by the surrounding environment. Factors may include but are not limited to climate, weather, geographical location, global changes in climate, environmental offsets etc.

- What are the environmental concerns for the industry?
- What environmental factors need to be considered –location, distance to travel etc?
- What impact could this have on the environment?
- Could this project be perceived to have a negative impact on the environment?
- Are there environmental groups that need to be considered?

OTHER OPTIONS

There are many models out there to do an environmental scan.

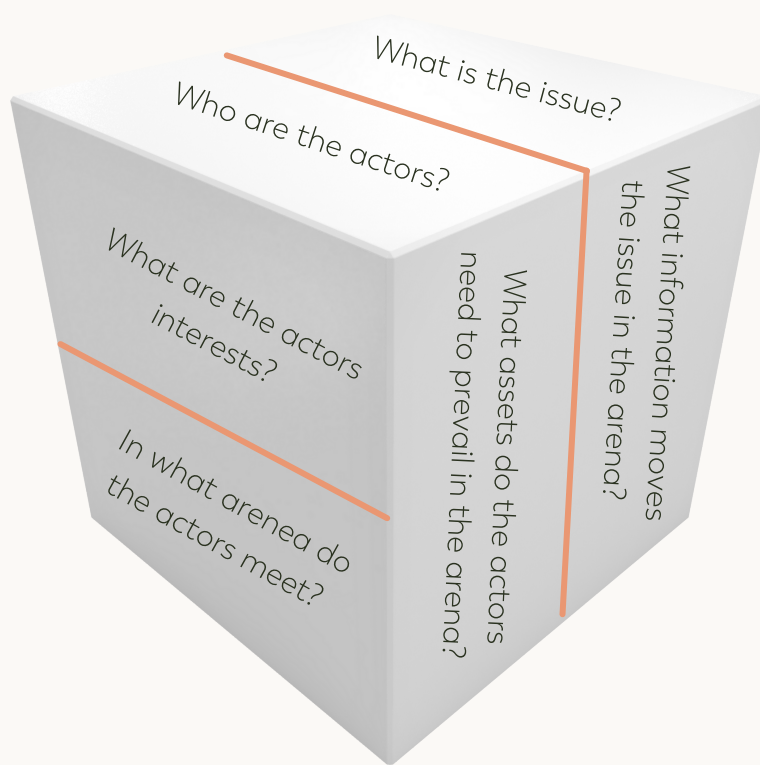
SWOT ANALYSIS

Many of us have done a SWOT analysis before, considering the internal strengths and weaknesses and the external opportunities and threats.



iA3 FRAMEWORK

There is the iA3 framework which focuses primarily on actors and issues in the operating arena and is useful if you need to build a stronger understanding of your audiences. It can be a little academic.



CONTACT US

Elm Communications is always here to help.
Please reach out for a chat.

Don't forget to check out the website for free
resources and articles about
communications, leadership and professional
development.



hello@elmcommunications.com.au



www.elmcommunications.com.au



0432866382

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