**SOCIAL JUSTICE 106 CREATING YOUR MISSION STATEMENT, STRATEGY & IMPLEMENTATION**

**FROM THE DESK OF THE DEAN**

**PESTLE**

**TOPIC 2**

**An Introduction to PESTLE Analysis**

As touched on in Social Justice 105 PESTLE analysis is a business analysis tool that looks at things from six crucial viewpoints. To conduct a PESTLE analysis, you find as much information as you can about the business, and separate it between the six categories. The key to getting PESTLE analysis right is understanding what each category stands for.

**Political**

Every organization operates within some kind of political environment. The question is how does that political environment affect the non-profit itself? This category, you’ll find information about everything from international relations (which can affect an organization’s ability to do business across borders) to political instability (which can severely thwart an organization).

**Economic**

Similarly, every organization is exposed to the economies of the markets in which it operates. The beauty of PESTLE analysis is that you can consider factors as broad or as specific as you like. For the economic factors affecting a non-profit, you can discuss the international economy, national economies, or even regional economies.

**Sociocultural**

An important part of any business is the consumer. The sociocultural column of PESTLE analysis allows you to explore how trends in society and culture- which ultimately trends your participants and it affects your non-profit. For example, if a business sells just one specific product, how is the consumer approach to that product changing?

**Technological**

Non-profits are becoming increasingly technological, hence the importance of the T in PESTLE analysis. This is your chance to explore any of the technological factors affecting the non-profit including both technological constraints and advancements. This may refer to access to technology within a given region or the development of new technologies within an industry.

**Legal**

If you’re familiar with PEST analysis, you might have noticed that PESTLE analysis is the same thing — just with an added L and E. Of course, the L in PESTLE analysis refers to legal factors

Often, these legal factors have some overlap with political factors — but not always. Examples of topics that might be discussed in this category include trade laws, labor laws, and intellectual property laws, and how each affects a business.

**Environmental**

A category of growing importance is the environmental one. Many businesses, especially those in primary industry, have some kind of impact on the environment This part of PESTLE analysis is about knowing what that impact is, what effects that might have, and how businesses can improve in this department.

Simply put, PESTLE analysis is about filling out a brief profile about an organization for each of these categories. As long as you know what to put in each category (which we hope we explained well enough above), then it’s just a question of sourcing your data.

**TOPIC 2**

**DISCUSSION QUESTION 1**

Please create your own PESTLE analysis from the information you created in SJ 105. I have provided several examples for you to use as well.

**Political**

**Economic**

**Socioeconomic**

**Legal**

**Environmental**

PESTLE Analysis Examples

**PESTLE Analysis Of Charities And Non-Profits**

The purpose of businesses is not merely to make profits. Granted, money-making is one of the major activities of any commercial establishment. But there are businesses that make the welfare of society their prime concern.

Non-profit organizations and charities are such businesses that work to improve the lives of people through their activities. Like regular corporations, these businesses too have all the parts inherent in any company, like company policy, internal budget and employees. The only difference is that their primary concern is the welfare of society.

Charities and non-profits are usually funded partly by donations. But the prime purpose of their activities is to uplift parts of the society that are at-risk. And true to everything on this planet, nothing operates in isolation with each other. Like any other business, these are also affected by the macro-factors that influence any other company.

In today’s PESTLE analysis of charities and non-profits, we are going to take a brief look into how the charitable business landscape is affected by political, economic and other external influences.

So, let’s begin.

Political Factors

As with any business, non-profit organizations and charities are deeply affected by political change. A volatile political environment is often detrimental to the well-functioning of these businesses. As mentioned before, charities and non-profits are largely funded through donations. Much of these come through political routes. Any change in the political landscape can result in a slowdown of such funding.

Another way in which political factors may influence these charities is that of taxation. Usually, political changes are followed by changes in policies and tax structure. Charities and non-profits are usually exempt from strict tax-laws. But this can change with regimes. As a result, these businesses need to keep a keen eye on the political scene.

Finally, some charities and non-profits are directly related to political activity. These are often the first ones influenced by political changes and upheavals.

Economic Factors

Economic changes always have an effect on businesses, and charities and non-profits are no exemptions. Just as a thriving economic condition is beneficial for these organizations, a sluggish one can affect their growth negatively. For example, during times of economic downturns, jobs are scarce, earnings are low, and livelihoods face numerous risks. In such situations, people are less likely to be worried about social causes and more concerned about self-welfare. As a result, charities and non-profits, which are dependent upon donations, are likely to suffer.

Another factor that must be considered here is how these organizations themselves affect the economy. Charities and non-profits working to improve the livelihoods of individuals, and by doing so contribute to economic welfare. They also employ a large number of individuals and thus help to increase employment. By creating greater employment opportunities, these businesses help the economy to sustain itself.

Social Factors

Charities and non-profits are primarily associated with social welfare and seek to uplift the vulnerable sections of society. Through direct employment, training and education or enabling change, these organizations aim to change society for the better.

Despite being businesses, the fundamental giving nature of these organizations makes them extremely important for certain sections of society. In fact, without the aid of charities and non-profits, many underprivileged sections of society would not be able to survive.

Finally, by raising awareness about social issues, these businesses aim to involve more and more people in their work. This creates a ripple effect that resonates across society. In a nutshell, we can safely say that charities and non-profits and inherently linked to social welfare.

Technological Factors

The rapidly evolving technological landscape presents multiple opportunities for charities and non-profits alike. As the cost of tech and software comes down, these organizations can induct and adopt these innovations. Doing so would allow them to enhance efficiency, improve task management, streamline documentation and achieve constant communication.

Further, by leveraging tech solutions such as digital marketing and social media platforms, these businesses can spread the word about their work and ideas. This will allow them to reach a greater number of people than through traditional channels. This, in turn, will help to bring in greater assistance for their operations, both financial and otherwise.

Another area of technological innovation that charities and non-profits can explore is data science. These organizations usually have large amounts of data at their disposal. By applying data analytics, they can glean useful insights into critical social and market-based problems from this data.

Legal Factors

Like any business, charities and non-profits too are subject to legal limitations. Often, such organizations are privy to sensitive information. Thus, any mishandling of critical data may lead to legal complications.

Also, employees of these businesses need to regulate their public life with great care. As these businesses operate under constant social scrutiny, they must take care to follow all legal requirements and compliance rules.

Environmental Factors

This is one area where non-profits can play a big role. All over the world, it’s a common trend that political leadership is largely reluctant to take steps about environmental concerns. In this scenario, many non-profits, as well as charities, are stepping up to do their bit for the planet.

They help to gather funds for environmental conservation and raise awareness about these issues. This can go a long way towards mobilizing popular movements for the environment.

Final Words

**In conclusion, it can be said that political and economic factors play a big role in the operation of these businesses. At the same time, they provide employment to a large section of society and help in bringing about positive social change.**

And despite being susceptible to legal hassles, they can use technology to streamline their operations and explore new frontiers. In fact, technology can take charities and non-profits to greater heights of efficiency and effectiveness.

Finally, with environmental awareness being the need of the hour, these organizations should step up to do their bit. By being agents for change, charities and non-profits can help to be a positive force to reckon with.

Nonprofits operate in an increasingly competitive environment. The demand for their services always outstrips the money available to support their causes. Therefore, to stay relevant, today’s nonprofits frequently invest energy in various strategic planning exercises to survey the landscape on which they operate.

**PESTLE Analysis of a Country**

Unlike other business analysis tools, PESTLE analysis works just as well for countries as it does businesses. That’s right: you can analyze the standings of an entire country with the PESTLE model!

When referring to countries, here’s what PESTLE analysis often looks like:

**Political:** What are the country’s political relations like with others?

**Economic:** How is the country’s economy doing?

**Sociocultural:** What impactful societal and cultural customs does the country have?

**Technological:** How is the country with regard to adoption and development of tech?

**Legal:** What is the legal landscape like in the country?

**Environmental:** What is the country’s impact on the environment?

Here are three examples of full PESTLE analyses of countries which you can find on our blog.

We purposefully picked three completely different countries to give you an idea of how the results differ:

[PESTLE Analysis of Spain](https://pestleanalysis.com/pestle-analysis-of-spain/)

[PESTLE Analysis of Japan](https://pestleanalysis.com/japan-pestle-analysis/)

[PESTLE Analysis of South Africa](https://pestleanalysis.com/pestle-analysis-of-south-africa/)

Between those three examples, you should get a pretty clear idea of what PESTLE analysis of a country should include exactly.

PESTLE Analysis of a Business

Aside from analyzing countries, you can, of course, analyze businesses with PESTLE analysis. Earlier in this post, we detailed how you can interpret each of the six categories of the acronym.

If you follow the advice given up there, you shouldn’t have any trouble with knowing what to include!

Here are three examples of full PESTLE analyses of businesses which you can find on our blog:

[PESTLE Analysis of BMW](https://pestleanalysis.com/pestle-analysis-of-bmw/)

[PESTLE Analysis of Sony](https://pestleanalysis.com/pestle-analysis-of-sony-corporation/)

[PESTLE Analysis of Subway](https://pestleanalysis.com/pestle-analysis-of-subway-restaurants/)

If you read through those three examples, we guarantee you’ll be ready to create your own!

**Final Thoughts**

As you can see, PESTLE analysis is a pretty simple business analysis tool. You simply gather up as much information as you can about a business or country, and then spread it across the six PESTLE categories: Political, Economic, Sociocultural, Technological, Legal, and

Environmental. We hope you found our examples helpful, and wish you the best of luck with conducting your own business analysis!

1. Pestle Analysis Examples: **Uber**

In this section, we will share with you first of the five pestle analysis examples.

Uber is a rapidly growing taxi service provider in the world. People like its features such as **easy accessibility with the app and taxi sharing**. However, there are controversies such as minimum wage complications and banning that are not helping its cause.

And now let us find out more about this company through a Pestle Analysis example. The infographic below will give you a brief on what we have discussed ahead:

**1.1 Political Factor**

As mentioned above, this company has many controversies to do away with. And one of the things that have put Uber in trouble is that it has not made its regulations clear. For example, people have **questions about its insurance policy**. Some of the questions that are in the mind of the users are if there is an accident, then the company will

hold the driver as accountable or, the company will take the blame for itself.

**1.2 Economic Factor**

In this section of our sample pestle analysis of Uber, we will take a look at its economic factors.

The company operates in a sharing economy. In other words, sharing of physical and intellectual resources take place in the economy in which Uber operates.

Customers can easily connect with the driver through the app. Drivers can take them to their desired location. Customers find Uber cheaper than taxis.

Uber has seen fast growth since its inception. However, some countries see unfair competition against regular taxis. It resulted in ban and restriction of its services.

Other companies are also under the scanner of the authorities for the same reason. But, Uber has been the focal point of this controversy as it is a leading taxi service provider.

People are also looking towards Uber to get new job opportunities. They are struggling to decide whether it is taking their job away or bringing new opportunities.

One thing that favors Uber is its popularity. Taxi market is full of opportunities. Uber needs to keep doing its best.

**1.3 Social Factor**

Uber taxi services are user-friendly and accessible.

To book an Uber ride, all you need to do is order through a mobile app. In a few minutes, you will get the confirmation of your ride.

People show gratitude to the Uber for an affordable ride. It increased the fare charges with its the popularity. But, people still prefer it due to its accessibility.

**1.4 Technological Factor**

Uber has reaped many benefits through the technology directly and indirectly.

People post positive views on the various social media platforms. It has helped the company to grow fast. Next, its app is much helpful for users.

Users can book their cabs from anywhere. App also gives information like estimated ride charges, drop off location, traffic, and weather. Users can pay their charges through the app.

**1.5 Legal Factors**

Above we discussed how Uber has faced bans in many countries for different reasons. Hence, the company needs to follow technical usage laws, labor and employee safety laws and copyrights laws as well.

**1.6 Environmental Factors**

The impact of Uber on the environment is not certain. Few say that fuel usage and traffic congestion is increasing.

Studies say the same when it comes to traffic congestion. It is because people may use Uber instead of public transport. Analysts are yet to confirm such blame.

**Conclusion: In conclusion, Uber is the fastest growing taxi service, provider. Its affordable charges, ease of use have helped it in becoming popular. Some controversies are also hindering its progress.**

But, the company must carry on its service throughout the world. Of course! They need to keep a check on the controversies as well.

2. Pestle Analysis Examples: **Nike**

In this section, we will share second of the five pestle analysis examples.

Nike Corporation is a US-based international company. It deals in design, development, and selling of footwear, clothing and other services.

Nike is the top brand when it comes to producing sports shows and sports apparel. It earned US$30.601 billion in 2015. It made it the most valuable brand in the sports businesses.

Let us do a pestle analysis example of Nike to know where it stands. The infographic below will give you a brief on what we have discussed ahead:

**2.1 Political Factor**

The political environment has a huge impact on Nike as it is globally present. Hence, the company must consider the taxation and manufacturing rules of a country. Nike needs to keep an eye on the import and export laws of a country. It affects its product distribution worldwide.

**2.2 Economic Factor**

Nike needs to focus on the conditions of economies where it offers its products.

It can target economies such as US, UK, and others. All these countries have a stable economy. Nike can find the customers with good purchasing power there.

Fast-growing nations are also an opportunity for Nike.

**2.3 Social Factor**

Nowadays, people are conscious about their health. They are increasingly playing sports to stay fit. Nike plays an active role.

It regularly comes up with high-quality sports shoes and apparel. It mould's its products as per the customers’ need to get the positive results.

**2.4 Technological Factor**

Nike gives importance to technology. It also needs to keep an eye on the technology it manufactures. It will help the company in competing well in the market.

R&D investment is the external technological factor that affects Nike. The constant changes the technology is an opportunity, and threat as well.

**2.5 Legal Factor**

Nike should keep an eye on the copyright of designs of shoes and apparel it manufactures. It also has to make sure it is not involved in child labor or breaking employment rules.

Health and safety rules are also important for Nike to follow to maintain its global reach.

**2.6 Environmental Factor**

At present, the environment is the prime concern globally.

Nike is a leading brand. The company needs to come up with environment-friendly products. It will help them gain brand value.

Also, it will increase sustainability for the company.

**DISCUSSION QUESTION 2 with the Dean**

**PLEASE SET UP A PHONE CALL OR ZOOM CALL WITH THE DEAN FOR 15-30 MINUTES.**