**Political-Legal**

Here are Political-Legal questions that should be raised to identify relevant environmental influences.

1. Will your operations be helped or hurt by a change in leadership in federal, state, or local government?

2. What would be the effects of a change in regulatory requirements for you?

3. What are the tax implications of a change in government?

4. What are major court decisions that could affect your organization?

5. What possible new state and federal laws that might affect your organization?

Sources for answers can come from your legislators and lobby groups.

**Economics**

These Economics questions should be assessed for their influence.

1. What are federal fiscal and monetary policies that could affect your organization?

2. Are there any major economic changes predicted that could affect your planning and operations?

3. For your customers and suppliers, how might trends in GDP, individual income, interest rates, etc. affect supply and consumption of your products and services?

4. How might international economic factors affect your organization?

5. What is the potential for substitute products and services to affect your organization?

6. Will changes in consumer tastes, preferences, wants, and needs impact what you are doing?

7. What will affect your cost of capital, lending, and investing?

**Sociocultural**

These are Sociocultural questions that should be considered for their environmental impact.

1. What sociocultural factors have the most bearing on your organization?

2. What is the timing of when these factors will have an impact?

3. What are emerging subcultures that will influence your organization’s goals and operations?

4. What aspects of sociocultural impacts will diminish in influence?

5. Are there consequential lifestyle factors within and among groups that you should be aware of?  
Demography is the base on which sociocultural factors stand. Normally, it is attached as a sociocultural factor in the external audit. The demography factor has to do with the study of populations, births, deaths, number, growth, and density of humans. That composition directly affects sociocultural factors and that is a reason for the inclusion of demography in the sociocultural dimension.

**Demography**

Some relevant demography-based questions considered for the environmental audit.

1. For your organization’s service territory, what are population trends in growth, stability, or decline?

2. What are consequential trends in the composition of the population by gender, age, housing, and so on?

3. How will demographic changes cause you to reevaluate your operations?

4. How might demographic changes have an impact on other PEST forces?

5. What is the timing for any and all of these factors?

**Technology**

Technology questions:

1. Can any technological development produce a substitute product or a substitute process that will be consequential for your organization?

2. How sensitive are your operations to technological change?

3. What technological developments can you take advantage of and what developments may harm you?

4. How can prospective technological developments help to better serve your customers, suppliers, investors, and other stakeholders?

5. Will developments in technology affect your business model?

6. What is the potential for technological disruption and if there is such potential, what can be done about it?

**Natural Environment**

1. How consequential is the natural environment in your organizational activities?

2. Which elements in the natural environment have the most impact and which the least?

3. Which elements of the natural environment must you be able to acquire?

4. How will you acquire these?

5. What will be the cost?

6. What issues of sustainability are you likely to encounter?

These are the elements of the PEST approach to environmental analysis.

Taken from Eric J. Bolland. (2017). Comprehensive Strategic Management: A Guide for Students, Insight for Managers. Emerald Publishing Limited.