



Tips for Conducting a PEST Analysis

HELPFUL TIPS

A PEST analysis considers the macro factors that can impact an industry or organization including the **Political**, **Economic**, **Socio-Cultural** and **Technological** environment. These factors are often beyond an organization’s control but still hold the potential to impact a field or industry.

A PEST analysis offers a more comprehensive examination of the **external environment** for an organization compared to a SWOT analysis that is more focused on an organization’s strengths and weaknesses.

The following table is an **example** of how to consider macro factors that impact an organization you are researching. Each PEST category is accompanied by considerations, and potential opportunities and threats to an organization. In the example below, we conceptualize the political, economic, socio-cultural and technological impacts on an environmental non-profit organization in Ontario in the year 2019.

PEST Analysis	Factor to Consider	Threat	Opportunity
Political Environment	<i>The Ontario Trillium Foundation offers grants to many Ontario non-profits. The government of Ontario reduced the Trillium Foundation's base funding by \$15 million in 2019.</i>	<i>Competition between non-profits may increase as they each try to establish a larger fundraising base.</i>	<i>People may recognize that the province is not supporting organizations as much as they did before. People may be more inclined to donate to causes they care about.</i>
Economic Environment	<i>The unemployment rate has increased due to the COVID-19 pandemic.</i>	<i>More people may be unable to donate to non-profits this year.</i>	<i>Times of high unemployment also offer the greatest potential to demand social change.</i>
Socio-Cultural Environment	<i>People may be less inclined to donate to environmental non-profits while prominent issues like the COVID-19 pandemic take center stage.</i>	<i>Those who do donate to non-profits may be focused on groups that offer public health services this year.</i>	<i>An environmental organization could generate awareness about new, sustainable green-job opportunities. This could be an intersection that can continue to maintain people's interests in environmental non-profits.</i>
Technological Environment	<i>Fundraising technology like CallHub allows fundraising to be done remotely. In addition, people are more engaged with online content than ever before.</i>	<i>Many people are not receptive to telemarketing calls, and it may be harder to build rapport using this strategy.</i>	<i>Engagement with the organization’s base supporters can still be established through more widespread marketing strategies like social media campaigns.</i>



Tips for Success

- News articles, provincial budgets, and social media are all great resources to understand the external pressures that an organization may be experiencing.
- York’s Online library offers helpful guides for conducting company and industry analyses.

