Worksheet 4

PEST Analysis

The General Environment is made up of Political, Economic, Socio-Cultural and Technological factors. Rather than simply considering how changes within these factors impact on a company directly, we also need to think about how they affect each of the 5 Forces within its industry.

ECONOMIC

TECHNOLOGICAL

SOCIO-CULTURAL

POLITICAL

Rivalry among existing Competitors

Threat of

Substitutes

Bargaining Power of Suppliers

Bargaining Power of Buyers

Threat of New Entrants

Exercise 1 – PEST Through 5 Forces

**Select an industry ………………………………………….**

**Select a specific company from within that industry…………………………………..**

Next, specify a change in a **Political, Economic, Socio-Cultural** or **Technological** condition that will have an impact on the company’s industry**.………………………………………………………………………….**

How does this impact on the company’s:

**Competitors**

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**Buyers**

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**Suppliers**

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**Threat of New Entrants**

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**Substitutes**

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Exercise 2

Try to identify if any new customer needs have been created and enter them into the strategy canvas below:

Exercise 3

In the space provided below identify what you think the company is really good at.

What are its core strengths? What makes it unique? What is the source of its competitive advantage?

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Next, based upon the changes that you have identified in Exercises 1 and 2 and the strengths you have set out above, specify if there are any new opportunities (in the form of new products / services / geographical markets) that the company could pursue.

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In addition, what adjustments should the company make in order to take advantage of these new opportunities without jeopardising its unique position?

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