

SYSNOVATE SOLUTIONS SDN BHD

PESTLE GUIDELINE

PESTLE technique is a strategic planning tool which can be used effectively in external risk identification process. The technique evaluates the impact of political, economic, social, technological, legal and environmental factors that might have on an organization or a project. It involves an organization considering the external environment before making business plans or starting a project. It is a good way of ensuring one has captured all potential issues and risks.

PESTLE stands for:-

- **P**olitical
- **E**conomic
- **S**ocial
- **T**echnological
- **L**egal
- **E**nvironmental

Political	<ul style="list-style-type: none"> • Government and political stability • Tax policy, levy, duties and trade tariffs • Changes in policies
Economic	<ul style="list-style-type: none"> • Business cycle • Competition from same industry • Current and projected economic growth, inflation and interest rates • Unemployment and supply of labor • Labor costs • Levels of disposable income and income distribution • Impact of globalization • Bank Negara and bank regulations
Social	<ul style="list-style-type: none"> • Population growth rate, age distribution • Education, occupations, earning capability, living standards • Ethical issues, diversity. Immigration/emigration, ethnic/religious factors • Illegal workers • Changes in lifestyle and trends
Technological	<ul style="list-style-type: none"> • Information technology, internet, global and local communications • Technology access, licensing, patents, potential innovation, intellectual property issues • New construction technology / IBS
Legal	<ul style="list-style-type: none"> • Current home market legislation, future legislation • Local License / Planning Permission • Immigration law • Regulatory bodies and processes • Safety and health regulations • Employment law, consumer protection • Industry-specific regulations, competitive regulations • CIDB regulations
Environmental	<ul style="list-style-type: none"> • Environmental issues, environmental regulations • Global warming, schedule waste, construction waste, etc. • Customer, stakeholder/investor environmental requirements