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PESTLE Tool – notes for guidance

Prepared by Dr R C Watson
(Director, Greenoak Innovation Ltd)
for the Aspect Research
Commercialisation Community
of Practice

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PESTLE TOOL Element	Trend (examples only – needs to be kept up to date – user trends that are relevant to your project) Future Predictions / Insights	How does this impact the proposed idea / broaden it? / narrow it? Who can we align with / who is this important for with regards to our idea?
Political 	<ul style="list-style-type: none"> Political changes – to government / local government 'The Red Wall' – changes to Blue Wall in North of England Brexit changes Changes to attitudes at UK Union, Scottish, Welsh and NI changes Wor and Conflict 	
Environmental 	<ul style="list-style-type: none"> Greater awareness of green issues in population and cohesion Green consumerism Pressure from larger customers on their suppliers to do more on climate, green energy and other issues Carbon targets for companies / public sector Cost of oil and petrol to decarbonised energy production 	
Social 	<ul style="list-style-type: none"> Trends for home working / remote working Change in demographics of population – across labor periods, lower children and family, changes in wealth Public opinion changes on topics affecting your industry Anti Backlogged Covid and impact on health and well-being and productivity Funding Social Care 	
Technological 	<ul style="list-style-type: none"> Social Network changes in type and formats Move to subscription based services rather than physical products (eg Netflix vs DVD ownership) Increase in broadband penetration and speed in rural areas Increase in social media product, activism Shorter attention span / more interruptions to people's lives through technology use! 	
Legal 	<ul style="list-style-type: none"> Changes in employment regulations Environmental regulations Discrimination changes Health and safety changes Fire / Building regulations Employment Law and best practice Changes in other areas of best practice – from professional bodies in your industry Nudge/ nudge legislation to change behaviour? 	
Economic 	<ul style="list-style-type: none"> Changes in Tax treatments Cost of borrowing / availability of bank finance Choices in budgeting following Covid pandemic Economic recovery plans New UK trade deals with international Partners – impacts inflation and interest rates Oil price, Stock market fluctuations 	

Page 4

Aspect

Tips:

Why not print out the tool in A3 to sit around a table with the academic team and fill it in to record the meeting?

Or – send an e-copy in advance to the academic team to allow them more time to think about trends before the meeting – then compare notes?

PESTLE Tool – notes for guidance

PESTLE is an acronym for a tool that is used in company strategy development. It prompts users to think about the impact of broader trends on their idea to help them identify new opportunities where the external trend could either help or hinder them. Who are the collaborators or partners that may help the idea by being customers? Who are those opposed to the idea who might be resistant?

The tool is thought to have originated in 1967 when Francis J. Aguilar contributed to the book “Scanning the Business Environment”, where he described broader environmental factors affecting a business. He gave them the acronym “ETPS” to indicate the “Economic, Technical, Political, and Social” factors. In early 1970’s, Arnold Brown focused on “STEP” (Strategic Trend Evaluation Process) and outlined the environmental factors as STEPE (Social, Technical, Economic, Political and Ecological). In the 1980s others tried to define the environmental factors in different ways, thus resulting in PEST, PESTLE, STEP and STEEPLE analysis.¹

The tool is provided in two forms – you can either use the blank template that gives you space to insert your own environmental trends that you feel are relevant to the idea being proposed, or use a pre-populated sheet that gives examples of trends that may or may not be relevant.







Do not get too hung up about the category where the trend sits (e.g. oil price and new forms of energy production’ might sit in technology, economic, or environmental areas). Also don’t think that every box



has to have something written in it. This is a tool that encourages and reminds you to think in different directions to see if something has been missed that could be to the advantage of the project and by bringing it together in one page it can help to communicate your project. The main thing is to focus on where the new idea being proposed sits in the overall landscape – to see whether there are bigger drivers pushing the idea into the marketplace and supporting it or conversely trends that make the new idea less practical as they resist its implementation.







Using the PESTLE tool – worked example

Professor Watson has approached the Innovation Office with a new idea emerging from her research. The Prof is an expert in conducting surveys on attitudes to health screening. During the course of her work she has developed a number of validated questionnaires and similar research tools that have been successful in establishing why certain groups are sceptical about health screening. As a result of this work and changes in policy and practice, an increase in uptake of screening opportunities has been seen in certain harder to reach groups within the population. Prof Watson feels her work could be converted into a spinout opportunity to increase impact to wider audiences and address some health inequalities, and offer an employment opportunity to a PhD student who helped validate one of the tools as part of their thesis. Prof Watson has approached the Innovation Office and would like a conversation to check how viable this idea would be.

1 Adapted from <https://www.brighthubpm.com/project-planning/100279-pestle-analysis-history-and-application/>

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Political 	<p>Gov announces increased funding for cancer screening 'Cancer Catch Up' after criticism cancer has been neglected during pandemic, public and private companies will be involved in bidding to run screening programmes and a new 'Cancer Tsar' has been appointed</p>	<p>Positive driver - can Prof Watson's work contribute to this Gov initiative? Who is involved? NHS Trusts? Cancer Research UK? Who has been named as the new 'Cancer Catch-up Tsar?' Which private sector companies are involved and do they need to demonstrate as part of their tender responses their ability to reach out to 'hard to reach' groups? How would Prof W's tools and knowledge help them do this and who should be contacted?</p>
Environmental 	<p>Not applicable for this idea</p>	<p>Not applicable for this idea</p>
Social 	<p>Health insurance companies want to use their facilities to help the new screening programme but have poor uptake in some areas and have approached Prof W for advice in the past</p>	<p>Positive driver? - can Prof W work be expanded and used to help solve the problems of these companies in expanding their uptake - making them more economical and improving their scanner utilisation rates? - more investigation needed</p>
Technological 	<p>A start up with a new cancer screening technology is interested in raising venture capital. They need help to establish credibility after positive clinical trials but don't have enough data in some patient groups</p>	<p>Positive driver - Is Prof W's work able to widen the appeal of the new technology and help the start up better understand the needs of its customers in different markets / groups of patients?</p>
Legal 	<p>As part of the new 'Cancer Catch Up' programme - there is a plan to legislate to avoid 'postcode lottery' of cancer screening</p>	<p>Positive driver - Can Prof W's work help explain distribution of screening uptake and provide a better public service, will it inform the legislation and help decide those areas needing additional funding to overcome disparities in uptake? Who can we speak to about this in Gov? What ministry is involved in decision making?</p>
Economic 	<p>NHS trusts are bidding for money available on the new programme but do not propose any new approaches</p>	<p>Negative / ? driver - would the use of existing techniques and screening programmes may reduce the need for the new approaches of Prof W? or would this be complementary - more investigation needed</p>

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Environmental 	<ul style="list-style-type: none"> • Greater awareness of green issues in population / eco activism • Green consumerism • Pressure from larger customers on their suppliers to demonstrate cleaner, greener products and services • Carbon Targets for companies / public sector • Cost of oil and move to decarbonised energy production 	
Social 	<ul style="list-style-type: none"> • Trends for home working / remote working • Change in demographics of population – more older people, fewer children per family, changes in wealth • Public opinion changes on topics affecting your industry • NHS Backlog post Covid and impact on health and well-being and productivity • Funding Social Care 	
Technological 	<ul style="list-style-type: none"> • Social Network changes in type and formats • Move to subscription based services rather than physical products? (e.g. Netflix vs DVD ownership) • Increase in broadband penetration and speed in rural areas • Increase in social media protest, activism • Shorter attention span / more interruptions to people's lives through technology use? 	
Legal 	<ul style="list-style-type: none"> • Changes in workplace legislation <ul style="list-style-type: none"> • Environmental regulations • Discrimination changes • Health and Safety changes • Fire / Building regulations • Employment Law and best practice • Changes in other areas of best practice – from professional body in your industry • 'Nudge' versus Legislation to change behaviours? 	
Economic 	<ul style="list-style-type: none"> • Changes in Tax treatments • Cost of borrowing / availability of bank finance • Choices in budgeting following Covid pandemic • Economic recovery plans • New UK trade deals with International Partners – impacts • Inflation and interest rates • Oil price, Stock market fluctuations 	

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About Aspect

Aspect (A Social sciences Platform for Entrepreneurship, Commercialisation and Transformation) is a network for organisations looking to make the most of commercial and business opportunities from social sciences research.

Supported by Research England's Connecting Capability Fund, Aspect members sit at the epicentre of discovery, imagination and progress in the social sciences. We draw together pioneering academics with innovative industry leaders to tackle the most complex societal challenges of our time.

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