

# PESTLE

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Using the tool  
Template  
Example

# PESTLE

PESTLE helps you to analyse external factors which can affect your solution direction. The six factors are: political, economic, social, technological, legal or environmental. With a clear overview of these factors, you can better understand the position and potential of your pilot area.

## Tips for use

Make a large printout of the PESTLE Canvas template and use it during a brainstorm. Get inspiration from the PESTLE example that was made for the pilot area Amsterdam IJ.

## How to use

Each letter in the word PESTLE stands for a category of factors. For each category determine if there are trends or developments that have an impact on your pilot area. Factors can negatively affect a pilot area, but they can also represent opportunities. Once you have determined which factors influence your pilot area you can determine whether they have a positive or a negative influence. You can do this for instance by adding a color: red for negative and green for positive.

### Political factors

Decisions made by the government are political factors. Governments have a great impact on the public facilities in a country, but also on the economy.

Think of decisions regarding policies, laws, restrictions, tariffs, tax regulations, governmental programs and grants. Write down those political factors that influence your pilot area.

### Economic factors

The economic situation of a country greatly influences how your pilot area can operate and be successful. Think of economic factors like interest rates, exchange rates, inflation, economic growth, unemployment etc. Write down those rates or other economic factors that have an impact on your pilot area.

### Social factors

Social factors have to do with the demographics within a country or region and with cultural aspects. Important demographical statistics are age distribution, education levels, population growth rate, ratio of males to females, etc. Cultural aspects consist of the attitudes, beliefs or values of the population. Write down the important demographics of the population of your environment and their cultural aspects.

### Technological factors

Technology advancement of your market determines in which technologies your pilot area must invest to remain up-to-date. Technology factors are for instance automation, technical innovations, R&D investments, and rate of technology exchange.

Write down what kind of technologies there are important in your area and how advanced they are.

### **Legal factors**

There is a wide range of laws that influence the way your pilot area operates. Think of employment regulations, privacy and data security, discrimination laws, tax laws, advertising and marketing laws, online pilot area laws, and many others. Write down those laws that influence or might influence your pilot area.

### **Environmental factors**

Environmental factors consist of aspects like weather, geographical location, climate and climate change. Elements that influence the ecology are also important, like limited natural resources, recycling, waste disposal, and other elements. Write down those environmental factors that have an impact on your pilot area.

# PESTLE

name \_\_\_\_\_

**political**

**economical**

**social**

**technological**

**legal**

**environmental**

date \_\_\_\_\_

Developed by Francis Aguilar, (original ETPS) in "Scanning the Business Environment." from 1967

# Example of the Amsterdam IJ

<b>industry</b>	Waterways
<b>size</b>	More than 26.5 km long connection between the North Sea and IJsselmeer
<b>location</b>	Amsterdam, IJ

The goal of the area is to be sustainable, accessible, and safe. This means that an increase in water traffic negatively impacts accessibility, and although fossil fuels are currently an economic driver, they do not contribute to the sustainability of the area. Therefore, banning fossil fuels has a positive effect. Too much traffic and economic growth put excessive pressure on the area.

The "IJ" in Amsterdam is a body of water in the Netherlands. The IJ is located to the northeast of the city centre of Amsterdam and is connected to the North Sea via the North Sea Canal. The IJ played a significant role in the historical development of Amsterdam. It provided access to the North Sea, enabling maritime trade and commerce. Over the centuries, Amsterdam expanded around the IJ, and it has been a crucial part of the city's waterfront. In recent years, the IJ waterfront has undergone significant redevelopment, with the construction of modern buildings, cultural institutions, and residential areas, making it a prominent and vibrant part of Amsterdam. The IJ in Amsterdam is a significant body of water in the Netherlands, and it has had a long history of economic and cultural importance to the city.

## Amsterdam IJ PESTLE

In the example, we take a look at the political, economic, social, technological, legal and ecological factors that influence the future of the pilot area Amsterdam IJ. Some factors have a clear positive effect on the area, these are coloured green. Other factors seem to have a negative impact on the specific area of Amsterdam IJ and these are coloured red. The third category, contains factors of which the impact is not yet clear, they have both the colour green as well as red.

# PESTLE

name Amsterdam IJ

## political

Increasing international trade agreements

Ban on fossil fuels

## economical

Small-growth European economies

Increase in shipping as a transport mode for products

Global economic growth leading to an increase in export

## social

Record growth of wages in the Netherlands: people can buy more, have more leisure time in and around the water

More traffic between Amsterdam North and South

Sea cruise ships are no longer socially accepted

People/companies in Amsterdam have a digital/innovative mindset

## technological

Sensors/cameras are already used for monitoring Amsterdam canals

High usage of social media

## legal

Mandatory vignettes for all boats in Amsterdam

Possibly mandatory sailing license for all boats in the Netherlands

## environmental

Climate change

Saltwater intrusion from the sea

date 13 September 2023

Developed by Francis Aguilar, (original ETPS) in "Scanning the Business Environment." from 1967