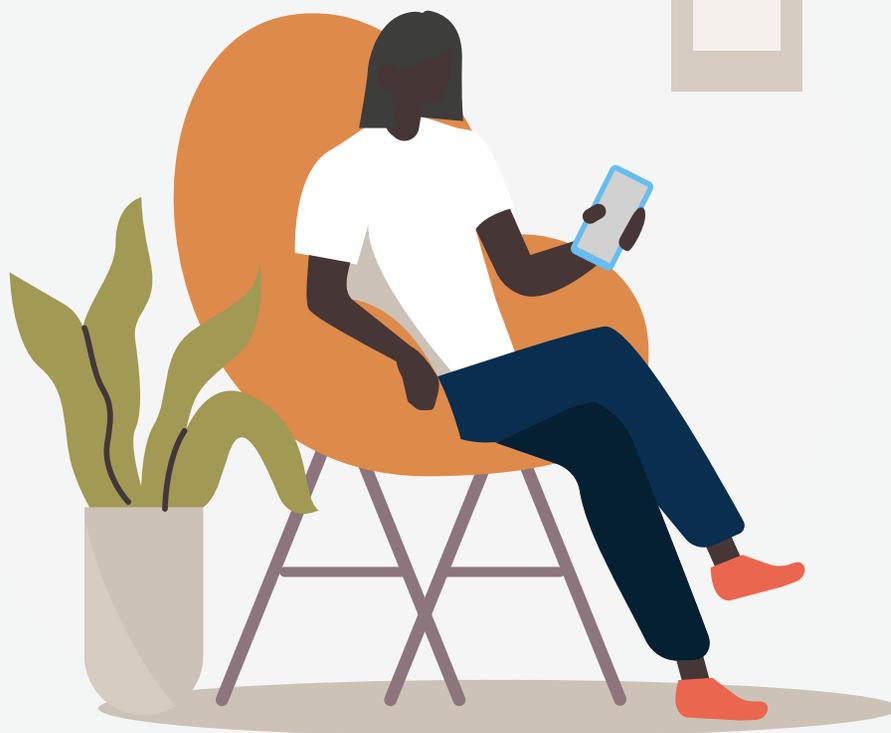


Skillbook

Personal PEST Analysis

Career
Skills



Mindtools

Personal PEST Analysis

Skillbook

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1. Introduction

Personal PEST Analysis is a useful tool that can help you to analyze the “big picture” forces of change that are likely to affect you, and to identify the opportunities or threats that such forces present.

When you understand the large-scale changes that are going on around you, you can shape your goals and objectives so that you work with them rather than against them. You can then take advantage of the new opportunities that they present, and you can steer clear of courses of action that have little chance of success.

We often have a negative view of factors that are out of our control. Increases in interest rates, for example, can mean higher loan repayments, while technological advances can be worrying because they might make some jobs obsolete.

But it’s important to remember that these factors can also provide new opportunities. Interest rate increases might mean that we get a better return on our savings, for example. And technological advances can help us to make our processes more efficient, saving us time and money.

This one-hour **Skillbook** focuses on the essentials of conducting a Personal PEST Analysis. During this Skillbook you will learn how to:

- Identify professional opportunities presented by current external forces of change.
- Identify the professional risks that are also presented by these forces.
- Develop a career plan based on the factors that you have identified.

Note:



PEST Analysis is often used alongside SWOT Analysis. However, the two tools have different areas of focus. PEST Analysis looks at the “big picture” factors that might influence your decisions, while SWOT Analysis explores these factors at a business and personal level.

2. What Is a Personal PEST Analysis?

PEST is an acronym that stands for:

- **P**olitical.
- **E**conomic.
- **S**ocio-Cultural.
- **T**echnological.

To carry out a Personal PEST Analysis, you will need to examine the forces of change in each of these four key areas that will likely impact your professional choices.

The analysis is designed to help you to take an objective look at the “bigger picture” and to assess the main factors that will likely impact you in the future. You can then use this knowledge to help you to chart a course of action that takes advantage of any opportunities that you identify and, at the same time, avoid any risks that will likely crop up in the future.



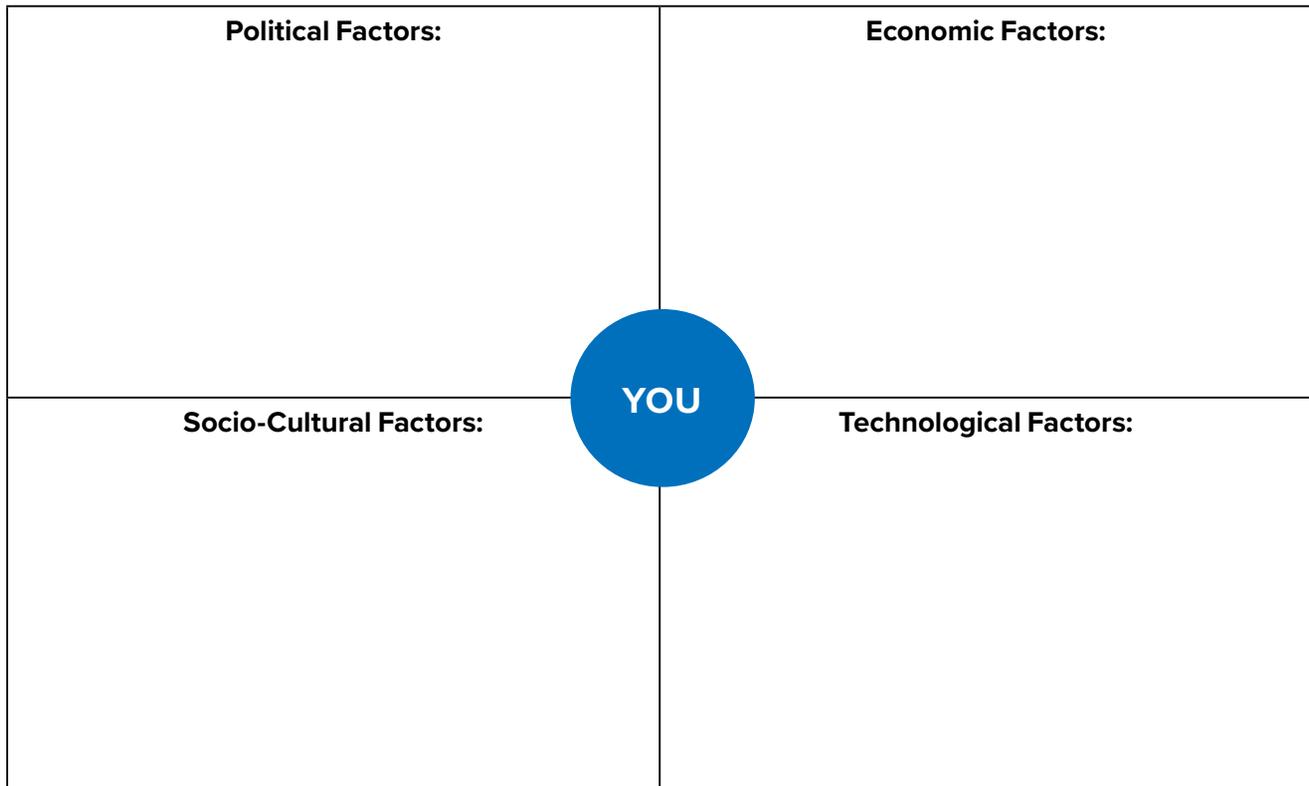
Tip 1:

You can expand your Personal PEST Analysis to include other areas that you feel will likely impact you. Other variations of PEST Analysis that you might use include:

- PESTLE/PESTEL: Political, Economic, Socio-Cultural, Technological, Legal, Environmental.
- PESTLIED: Political, Economic, Socio-Cultural, Technological, Legal, International, Environmental, Demographic.
- STEEPLE: Social/Demographic, Technological, Economic, Environmental, Political, Legal, Ethical.
- SLEPT: Socio-Cultural, Legal, Economic, Political, Technological.
- LONG PESTLE: Local, National and Global versions of PESTLE (these are best used for understanding changes in multinational organizations).

Whatever the specific external factors that you choose to use in your Personal PEST Analysis, make sure that you look at their impact from all angles, to help you to determine any potential threats and opportunities.

The grid below provides a basic framework that you can use to brainstorm the forces of change impacting you in each of the four key areas of the PEST Analysis.



Note:



Every country and region will have different PEST factors to consider, and these factors are always changing. So, it's a good idea to conduct a PEST Analysis regularly, especially if you relocate to a different area.

We'll now take a look at each quadrant of the PEST Analysis in more detail in the following chapters.

3. Political Factors

Political factors are political or legislative trends or changes that will likely impact your career objectives and goals. When you are filling out your Personal PEST Analysis, remember to consider all the political arenas that are relevant to you. For example:

- Municipal.
- State/provincial.
- National.
- Global.

Many professions also have their own specific political and legislative or regulatory pressures; accountancy and insurance, for example. If this applies to you, then carrying out this part of the PEST Analysis will likely be particularly helpful.

When thinking about political factors, ask yourself the following questions:

- Are there any new laws, policies or legislation that have been introduced that might affect your job or organization? Have there been any recent changes that have yet to have full impact?
- How will business regulation, along with any planned changes to it, affect your business? Is there a trend toward regulation or deregulation?
- Are there any planned changes in government spending or taxation? Will these negatively affect the viability of your work, or will they provide opportunities?
- How does the government approach corporate policy, corporate social responsibility, ecological/environmental issues, and customer protection legislation? How does this impact your profession?
- When is the next local, state or national election? Who are the most likely contenders for power? What are their views on business policy, and on other policies that affect your organization?
- How well developed are property rights and the rule of law in your country? How widespread is corruption and organized crime, and how is this likely to affect you?
- Are there any civil or international wars or conflicts that could affect your business or trade?
- Are there any other political factors that will likely change?

4. Economic Factors

There are several economic factors that are important to consider when carrying out your Personal PEST Analysis. In particular, the state of the economy, inflation, unemployment rates, taxation changes, and interest rates.

However, you must remember to look at these factors from the right perspective. For instance, you might be offered a job that pays \$15,000 more a year, but other PEST factors that you have identified suggest that the role will likely become obsolete within two years because of increased competition from other businesses. It is therefore important to consider the economic factors that you identify in the context of your own specific profession and business environment.

When thinking about economic factors, ask yourself the following questions:

- Is your country or region growing economically, or is it in decline?
- How stable is the economy? Is it in a recession or a boom? What is the current rate of inflation? What effect is this having on your profession, and is it likely to last?
- Are key exchange rates stable, or do they tend to vary significantly? What impact will this likely have on products or services that you sell to other countries?
- How will business, economic, market, or trade cycles impact your profession and your organization?
- Will wages likely increase or decrease in your profession in the future? Is this profession remunerated fairly and adequately? Does the expected compensation cover your living expenses?
- Are customers' disposable incomes rising or falling? How will this likely change in the next few years?
- Is job security an issue? Is globalization or off-shoring impacting your profession?
- Is there a strong demand for your skills or profession? Or, are universities and colleges providing far more qualified people than there are jobs available? What will this mean for you in the future?
- Are there any other economic factors that you should consider?



Action:

Take a few minutes to think about the economic factors that could impact your career. What opportunities have you discovered? What threats are you aware of? It might be worth doing some further research after you have completed this section of your Personal PEST Analysis, to gain further knowledge of the exact financial and statistical economic trends impacting you. Once you have obtained this information, don't forget to go back and add it to your PEST Analysis.

Political Factors:	Economic Factors:
	Opportunities: Threats:
Socio-Cultural Factors:	Technological Factors:

YOU

5. Socio-Cultural Factors

Socio-cultural factors are the social and cultural trends that shape society's behaviors and attitudes. Important factors to consider when completing this quadrant of the PEST Analysis are lifestyle changes, trends in customer demographics, education, cultural values, and ethics.

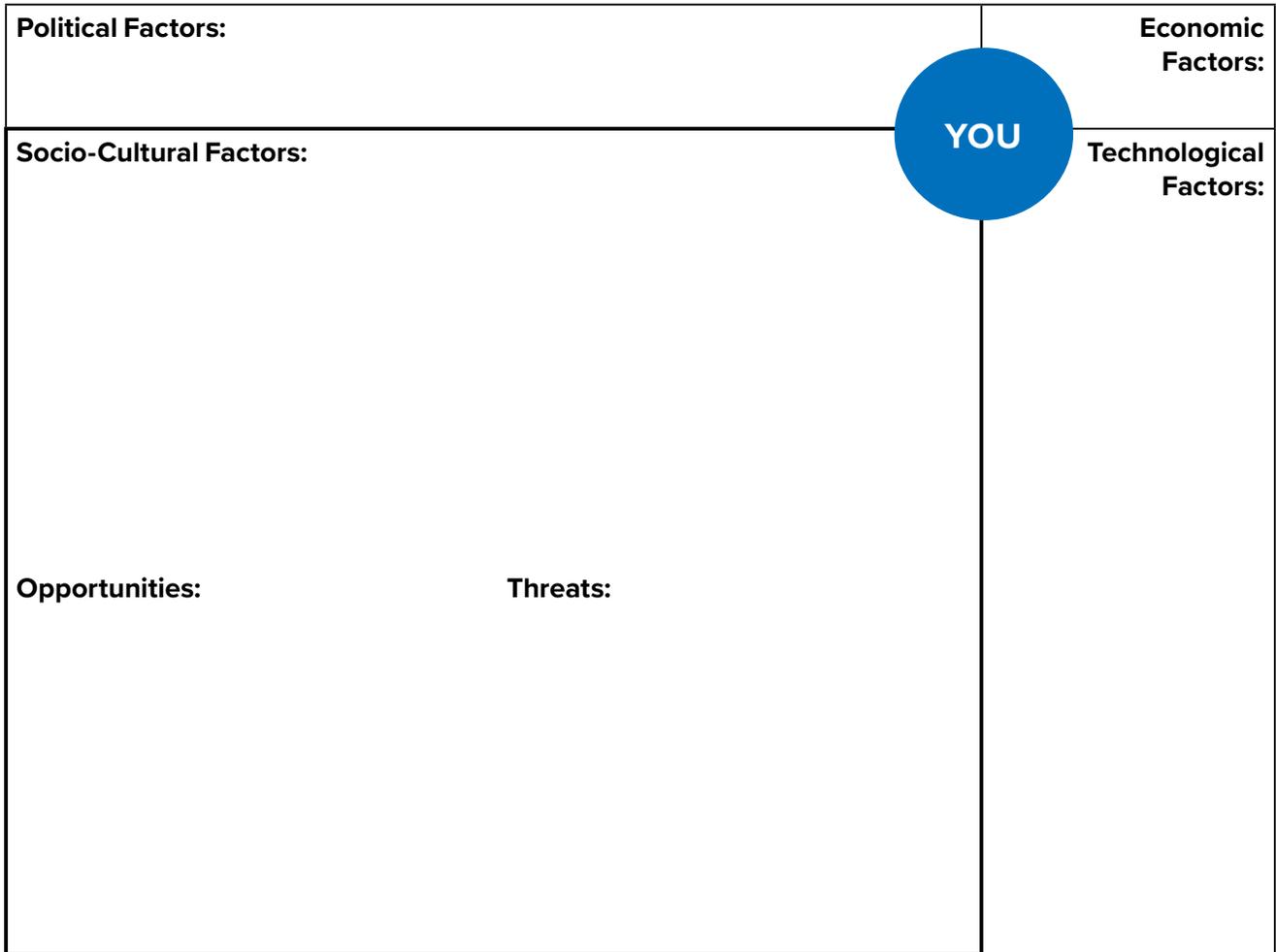
When thinking about socio-cultural factors, ask yourself the following questions:

- Will demographic trends likely impact your professional opportunities?
- Will changing lifestyles likely have an impact?
- Are there any changes in public opinion, or changes in general cultural attitudes, that you should be concerned about?
- Are there any ethical issues or cultural values that you need to consider?
- Have any major events taken place recently, or are there any due to take place, that might affect people's behavior and attitudes?
- Are some professions more or less attractive due to changing lifestyles? And what effect will this have on the number of people entering and leaving your profession?
- What is the population's growth rate and age profile? How will this likely change?
- Will generational shifts in attitude likely affect your profession?
- What social attitudes or taboos could affect your business? Have there been any recent socio-cultural or legal changes that might affect this?
- Will any other socio-cultural factors drive change in your business?

Action:



Using your answers to the questions above, complete the socio-cultural quadrant of your Personal PEST Analysis on the next page. What opportunities can you identify? What threats should you be concerned about?



6. Technological Factors

Finally, you need to consider how technology will likely impact your profession, and think about how it could affect your future success. You don't want to invest your time and energy pursuing a career that will eventually become obsolete because of technological advances. At the same time, you'll need to be aware of what technologies might provide opportunities for you in the future.

Technology moves rapidly, so you need to ensure that you future-proof your career by investing in skills that are adaptable and that will remain useful. This will help you to keep your options open.

When thinking about technological factors, ask yourself the following questions:

- What new technologies are being introduced, and how will these affect your profession?
- What can you do to get involved with these emerging technologies?
- Is technology going to make certain careers or roles redundant or obsolete? Does this include your profession?
- Are there any emerging technologies that you have access to that you could take advantage of, or that you have an interest in learning more about? How can you do this?
- What technologies exist today that will likely become obsolete in the next five to 10 years?
- Will emerging technologies affect the way that people work in the future (telecommuting, global teams, virtual working etc)? Will this create any professional opportunities for you or your business?
- Are there any new technologies on the horizon that could radically affect your profession or your industry?
- In which areas do local governments and educational institutions focus their technological research? Is there anything you can do to take advantage of this?
- Are there existing technological hubs that you could work with or learn from?
- Are there any other technological factors that you should consider?



Action:

Complete the technology section of your Personal PEST Analysis, below. What opportunities have you discovered? What threats are relevant? Again, it's a good idea to do some further research after completing the PEST Analysis, to gain further insight into the technologies that will likely impact your career. As you gain more information or if things change, continue to add to your Personal PEST Analysis.

Political Factors:			Economic Factors:
Socio-Cultural Factors:	YOU	Technological Factors:	
		Opportunities:	Threats:

7. Developing a Personal Career Plan

Once you've completed your Personal PEST Analysis, it's time to look at the opportunities and threats that you have identified in more detail. This will help you to develop a clear career strategy that takes advantage of the factors that will likely have a positive influence and, at the same time, avoid those that could have a negative impact.



Action:

Spend 10 minutes listing the main opportunities and threats that you have identified in your Personal PEST Analysis.

Opportunities Identified	Threats Identified



Action:

Now list what actions you'll take to make the most of the opportunities that you've identified, and how you'll manage the threats.

Opportunities Actions	Threats Actions
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.

8. Key Points

A Personal PEST Analysis helps you to understand the political, economic, socio-cultural, and technological changes that will likely shape your business and career objectives in the future.

By analyzing these changes, you can build up a picture of any immediate and future developments that you'll need to be aware of. You can also use your PEST Analysis to identify any opportunities or threats that might arise from these factors.

This can help you to develop a clear, objective and detailed career strategy, designed to make the most of these new opportunities while also avoiding any risks that might hinder your professional development.

