

PEST Analysis

The Political, Economic, Social and Technological Forces (PEST) analysis is a simple tool to identify environmental factors that may influence key strategies in your organization. This powerful analysis helps you assess four key variables of your macro-environment:

1. Political forces
2. Economic forces
3. Social forces
4. Technological forces

Key problems are identified and simply listed in a grid. However, it is recommended that you not only list each environmental force, but also note the potential impact of that problem on your medical practice. These implications may identify a barrier to service access, but they may also become opportunities to enhance existing services or develop new ones.

Example of a PEST Analysis

| Political Forces | Economic Forces | Social Forces | Technological Forces |
|---|--|---|--|
| <p>Recent election placed a non-supporter of primary care ... expected to... Reduce grant funding for primary care</p> <p>HIPAA rules to be implemented ... expected to... increase operational costs and force internal staff training</p> <p>President's mandate for electronic health record (EHR) for every American ... expected to... force expenditure for EHR software to ensure long-term payer reimbursement</p> | <p>Declining economy and mill closure ... expected to... Increase percentage of uninsured patients</p> <p>Rise in cost of living ... expected to... Decrease out-of-pocket expenses among patients seeking primary care for their families</p> <p>Increase in tobacco taxes ... expected to... Increase demand for smoking cessation services</p> | <p>Growth of young families ... expected to... Increase health care demands of young families</p> <p>Growth of elderly population ... expected to... increase demand for internal medicine/geriatric education services</p> <p>Significant rise in high-risk pregnancies in community ... expected to... heighten grassroots outreach efforts for obstetrics clinic or mobile services</p> | <p>Current software company offering upgrades ... expected to... Allow for EHR, but with significant cost; however, may increase referral communication and volume</p> <p>Patients demanding e-mail access to physicians ... expected to... drive physicians to respond to patient e-mails to be competitive in market</p> <p>Local pharmacies converting to e-prescribing ... expected to... Force e-prescribing and a paperless process, affecting nursing function</p> |

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Use the Political, Economic, Social and Technological Forces (PEST) analysis to identify environmental factors that may influence key strategies in your organization.

List key problems and their potential impacts on your practice in the most appropriate column. Use your list of potential problems and impacts to brainstorm your practice's responses and opportunities.

| Political Forces | Economic Forces | Social Forces | Technological Forces |
|-------------------------|------------------------|----------------------|-----------------------------|
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