**PEST Analysis – An Effective Tool for Business**

PEST is an Acronym of Political, Economical, Social-Cultural and Technological Analysis (Carruthers, H. 2009). These four factors are responsible for the external affairs of the business. A PEST analysis helps a business to identify its shortfalls and deviations. This tool helps to find business opportunities and evaluate potential threats that the business may encounter while functioning. It also helps to avoid projects that are failing at the starting stage itself due to lack of business control. The PEST analysis is an important tool for project planning process. The political factors focus on areas tax laws prevailing in one country. The economical factors focus on GDP and inflation of a country which affects the growth of the business. The social factors incorporate demographic elements that affect the business. And finally, the technological factors focus on research and development, innovation, automation etc.

The articles’ proclaims that "The PEST analysis has proven to be a flexible and easy to understand tool in the context of strategic planning." PEST analysis works best when the environmental factors are broke down from the point of view of the organization's resources, capabilities, and center abilities. The PEST can still fill in as a normal appearance arrangement to think about a few markets that were investigated. In this manner the PEST gives an outline of the main summary in the full scale situation. It is fitting to incorporate elements that impact the industry at present and to such an extent that may pick up significance in forthcoming days. Depending upon the goal of the investigation, dissimilarity among the present circumstance and possible upcoming changes might be useful. PEST analysis is an incredible method for becoming more acquainted with the battlefield environment before you bounce headlong into it. A PEST report permits you to take in all insights about the ring, the spectators and the adversary to better prepare you for the battle (Ho, J. K. K. 2014).

**References:**

Ho, J. K. K. (2014). Formulation of a systemic PEST analysis for strategic analysis. European academic research, 2(5), 6478-6492.

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