What is changing outside your company that your plan has not priced in?

PESTEL scans six external forces: political, economic, social, technological, environmental and legal.

WHY IT MATTERS

Plans tend to be built from the inside out. PESTEL adds an outside-in pass, so a regulation, a rate move or a shift in customer behavior shows up in the plan before it shows up in the results.

BY THE NUMBERS

6
external forces in PESTEL

1967
Aguilar publishes *Scanning the Business Environment* (Aguilar, 1967)

2
questions per force: what is changing, and how much it matters

HOW IT WORKS

Take each force in turn and ask two questions: what is changing, and how much would it move your numbers? Keep only the changes that clear both bars — they become the assumptions your strategy has to hold up against. Revisit them at every review; the outside world moves on its own schedule.



WHEN TO USE IT

- At the start of annual planning, before internal priorities are set
- When entering a new market, segment or geography
- When a regulatory or economic shift is already in the news

Where Horizon12 uses it: HorizonAxis cites PESTEL, and the Strategy Blueprint workshop applies it.

GO DEEPER

Credit. Environmental scanning as a management practice is commonly traced to Aguilar's *Scanning the Business Environment* (Aguilar, 1967), a revision of his Harvard thesis.

We could not verify which factors Aguilar grouped, or who extended the list to the six-factor PESTEL form, so no originator is credited for the acronym.

References

Aguilar, F. J. (1967). *Scanning the business environment*. Macmillan.

BOTTOM LINE

PESTEL shows what the market is about to change. Your plan decides what to do about it. Run HorizonAxis and HorizonNorth free, then book a Strategy Blueprint ($5,000–$9,500) to turn the gap into a signed-off plan.