# Environmental Scan Information sheet

*"The future is already here, it's just not evenly distributed yet"*
*~ William Gibson*

## What is an environmental scan?

Environmental scanning is a process of identifying 'signals' in an organisation's operating environment that might indicate something about the future. As highlighted in the above quote, trends and technology don't impact everybody at the same time and in the same way. By looking outward we can identify the early signals of an emerging trend that may have a significant future impact.

## Why do it?

By taking the time to look at emerging factors and imagining different ways they might play out, we can then develop different future scenarios. These scenarios can then be used to assess existing strategies as well as help us develop new ones.

## What you need to do

1.  Please allow at least 30 minutes to complete your environmental scan.
2.  Over that time, you should be able to comfortably identify 15+ 'factors' and capture them in the downloadable excel 'Environmental Scan template'.
3.  In some ways, quantity is better than quality as we are likely to identify the most obvious things first. You can also use the PESTLE framework on the next page as a prompt to think more broadly.
4.  Where possible, please provide an example of where you've seen this factor/trend occur and include a link to a news article, story or anecdote, whatever the best and easiest way of illustrating the factor you've identified.

## What happens next

This process is being undertaken by multiple people across the organisation (this ensures a variety of perspectives and expertise). Once all the information have been collated, the factors will be grouped into common themes.

These themes will then be used to define four equally possible but divergent future scenarios which will then be presented back to you as part of the annual strategic planning process. The more detail that you put into this part of the process, the more robust and rich the scenarios will be at the end.

If you have any questions about the environmental scanning process, please get in touch with me directly via simon@simonwaller.com.au

See you in the future!

**Simon Waller**

## Types of trends and factors to consider

A simple framework for ensuring an environmental scan is diverse and thorough is P.E.S.T.L.E. Think of the Political, Economic, Social, Technological, Legal and Environmental factors that could have an impact.

The following table explains what each of these categories are and some examples that might help prompt you in the environmental scanning process.

| Category | Description | Examples |
|---|---|---|
| **P**olitical | These factors take into account the political situation that may have impact in the future. For example, what sort of government ideology and leadership is affecting the decisions of a country? All the policies, all the taxation laws and every tariff that a government levies over a trade falls under this category. | Trading policies, government changes, shareholder and their demands, funding, governmental leadership, lobbying, foreign pressures, conflicts in the political arena |
| **E**conomic | Economic factors include all the financial determinants of the future economic state. These include inflation rates, the interest rates, tax, monetary and fiscal policies and wage growth. | Disposable income, unemployment level, foreign exchange rates, interest rates, trade tariffs, inflation rate, foreign economic trends, general taxation issues, taxation changes specific to product/services, local economic situation and trends |
| **S**ocial | Social norms, trends and mindsets can have a significant impact on how the future unfolds. For example, shifting expectations towards gender equality and intergenerational differences in the attitude towards work might both have a significant impact on future workplaces, consumer trends and lifestyle expectations. | Ethnic/religious factors, advertising scenarios, ethical issues, consumer buying patterns, major world events, buying access, shifts in population, demographics, health, consumer opinions and attitudes, views of the media, law changes affecting social factors, change in lifestyle, brand preferences, working attitude of people, education, trends, history |
| **T**echnological | Technology is constantly evolving and often in quite unpredictable ways. Technological changes can also have a knock-on impact in terms of social, legal and other factors. For example, the growth of cloud computing is changing attitudes towards remote work and creating new legal and other regulatory challenges for organisations to consider. | Technological development, research and development, trends in global technological advancements, associated technologies, legislations in technological fields, patents, licensing, access into the technological field, consumer preferences, consumer buying trends, intellectual property and its laws, how mature a certain technology is, information technology, communication |
| **L**egal | Legislative changes occur from time to time and many of them affect the business environment. These legislative changes could impact at a strategic level (what an organisation does) or at an operational level (how an organisation does what it does). | Employment law, consumer protection, industry-specific regulations, competitive regulations, current legislation home market, future legislation, regulatory bodies and their processes, environmental regulations |
| **E**nvironmental | Geography, climate and other aspects of the environment can influence many aspects of what a business does and also consumer reactions towards certain industries, products and services. | Ecological, environmental issues, international, national, stakeholder / investor values, staff attitudes, management style, customer values, market value |