

Situation Analysis – External Environment

To assist in your situation analysis of external opportunities and threats, the STEPE tool is used.¹ Consider current trends in these 5 areas and how they are impacting your organization, specifically determining how each one can hinder or advance your organization.

Social (habits, values, & attitudes)

Technological

Economic

Political (government regulations)

Ecological (demographic factors)

Understanding current trends and their effects on your organization is a great starting point for your overall strategy. More importantly is the ability for your organization to generate insight into the changing external environment on a **continuous** basis as this strategic learning is critical to your organization's long-term survival.

¹ Adapted from: Hendrickson, L.U. & Psarourthakis, J. (1998). *Dynamic Management of Growing Firms: A strategic Approach*. (2nd edition). University of Michigan.