

Which PEST is bothering your firm?

It will be 2011 in a few weeks and whenever your year-end is, planning for the coming year raises some interesting questions. What factors will affect the business planning for your firm? Here's a standard business analysis tool that seems very relevant to solicitors firms since there seems to be major change in all four categories. PEST analysis splits the factors affecting a business into four categories that help focus attention on the issues that will have an impact on future business. The PEST set – political, economic, social and technological issues – can be used in conjunction with the old favourite, SWOT analysis (where one lists strengths, weaknesses, opportunities and threats).



The PEST factors can be listed in a priority of how they affect your firm's business and clients. From that priority list you can look at a SWOT analysis of each of your firm's services as a way to plan for the coming year of change.

Starting off with the general issues that affect the legal services sector may help you then identify your own firm's PESTs in your area and for the services you offer.

Political factors

ABSs, LDPs, Jackson and all the other tweaks and changes that the regulators are throwing at us fall in to this category. We'll need to include the SRA in this section, because it doesn't fit into any of the others. Its move to outcomes-focused regulation is a politically driven choice and affects marketing as much as practice management, even though most of the consequences of regulation changes lie outside the marketing management remit.

Economic factors

Whatever the numbers say, the recession and its consequences are still with us. Recovery will be patchy and unevenly distributed. Your firm's services need to take account of this in terms of how your clients will buy or use your services given the competition and their buying power.

Social factors

One of the main factors that I suggest will appear in 2011 is the rise of the alternative legal service providers and how they change the public and SME view of, and access to, general legal services. While much of the change to date has been in regulations and within the legal sector, there is little evidence yet that this is having any effect on the public and SME view of solicitors and legal services. Each service area will have different conclusions here – divorce and disputes rise in a recession, M&A and business investment fall.

Technology factors

This is a significant area of change and needs careful consideration. There is no longer a 'wait and see' position. Both internally and externally, firms need to have a strong offering to clients, whether this includes direct access services with document assembly or not. Those choosing not to have the overt technology offerings via the web need to have a credible alternative to offer their clients.

This is just a brief overview and there are many other national, regional and local factors that will affect how you plan for next year. This type of analysis will help you focus resources towards building an efficient and effective business in 2011 and should find the PESTs that will bother you most. Once you can see them they'll be easier to deal with.

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This article first appeared in the Law Society Gazette's In Business blog, December 2010 - <http://www.lawgazette.co.uk/blogs/inbusiness/alastair-moyes>