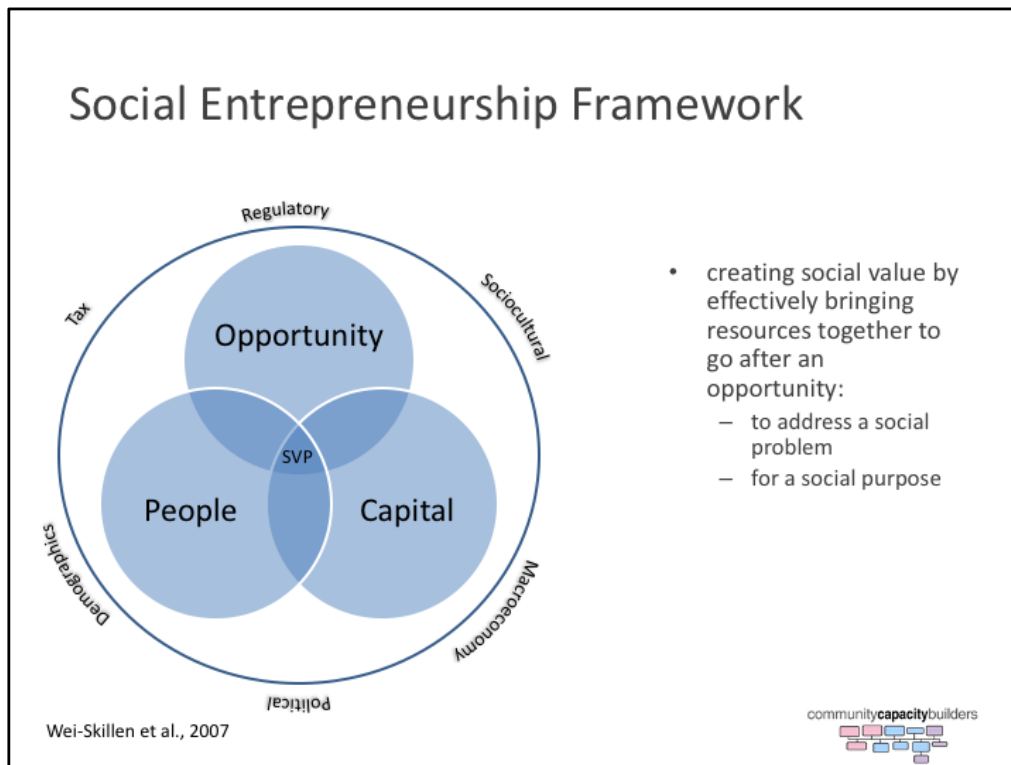


# Analysing the Broader Context



In this lecture we are going to look at analysing the broader context of problem and solution ecosystems.



In the Introduction Lecture to Unit 1 we showed this Social Entrepreneurship Framework. The Framework shows that social entrepreneurs pursue opportunities by bringing together people and capital resources.

The Framework also highlights – outside of the large circle - that social entrepreneurs do this in a broader context – a macroenvironment - that includes: regulatory, sociocultural, macroeconomic, political, demographic and taxation factors.

These factors, while outside the control of the social entrepreneur, influence the success of the social entrepreneurs initiative.

## PESTLE Analysis

- Forces constantly changing
  - Political forces
  - Economic forces
  - Social forces
  - Technological forces
  - Legal forces
  - Environmental forces
- **PESTLE Analysis**
  - Analysing changes resulting from forces in the macro environment



Most businesses are very aware of their need to understand the changes occurring in their broader environment to ensure that their direction aligns positively to these changes and does not work against the changes that are beyond their control. Businesses often use a PESTLE analysis to analyse changes resulting from the forces in their macro environment. The acronym PESTLE stands for political, economic, social, technological, legal and environmental forces.

A PESTLE analysis can also be used by social entrepreneurs to analyse the forces and trends in the macro environment that impact on the issues that they seek to address.

## Social Enterprise School

- also rooted in the body of knowledge of commercial entrepreneurship
  - the commercial entrepreneurship tradition that defines entrepreneurship as the process of creating and managing (new) organisations

Hoogendoorn et al., 2010



As identified in Unit 1, the social enterprise school of social entrepreneurship is rooted in the body of knowledge related to creating and managing businesses.

Social entrepreneurs using the PESTLE Analysis tool would therefore align to taking a social enterprise school approach to social entrepreneurship.

By undertaking a PESTLE Analysis, social entrepreneurs would gain a broader understanding than their problem and solution ecosystems. They would have an understanding of the changes occurring in their broader environment.

## References

- Hoogendoorn, B., Pennings, E., & Thurik, R. (2010). What do we know about social entrepreneurship: An analysis of empirical research.
- Wei-Skillern, J., Austin, J., Leonard, H. and Stevenson, H. (2007), *Entrepreneurship in the Social Sector*, London: Sage Publications