



Tool 3: Risk management

PESTLE analysis

A PESTLE analysis may help when assessing the risk arising from the impact of external factors on a charity, particularly when working internationally.

Political	Factors may be altered by the government's influence on a country's infrastructure. This may include tax policy, employment laws, environmental regulations, trade restrictions, tariffs, reform and political stability. Charities may need to consider where a government does not want services or goods to be provided.
Economic	Factors include economic growth, interest rates, exchange rates, inflation, wage rates, working hours and cost of living. These factors may have major impacts on how charities operate and make decision.
Social	Factors include cultural aspects, health and safety consciousness, population growth rate and various demographics.
Technological	Factors include ecological and environmental aspects and available products and services. Charities may need to innovate, having considered the compatibility with their own technologies and whether they are transferable internationally.
Legal	Factors include any law which may impact on the charities' operations, including NGO regulation and criminal and terrorist legislation which will differ from country to country.
Environmental	Factors include an awareness of climate change or seasonal or terrain variations which may affect charities' service delivery methods.