



PESTLE Analysis Factsheet

What is a PESTLE analysis?

A PESTLE analysis is a strategic framework used to examine the external factors that affect your organisation's work. It stands for Political, Economic, Social, Technological, Legal, and Environmental. This framework helps organisations understand how external forces can impact their operations and strategic decisions.

Why is it helpful?

By analysing these six areas, it helps organisations to better understand their operating environment, identify opportunities and threats, and inform strategic decisions for areas like new project entry points, manage risks, business planning, crisis management and refine their strategies for better and more sustainable performance.

The six areas of PESTLE

Political



Central and Local Government policies and political stability, such as tax policies, regulations, and labour laws, are considered.

Economic



This includes factors like inflation rates, interest rates, economic growth, unemployment rates, and consumer confidence.

Social



Examines social trends, demographics, and cultural attitudes. This can include population growth, age distribution, and changes in consumer/service user lifestyles and preferences.

Technological



Focuses on technological advancements, such as automation, research and development activity, and the impact of new technologies on projects, products and services.

Legal



This includes the laws that affect businesses, such as consumer law, health and safety regulations, employment legislation, and trade restrictions.

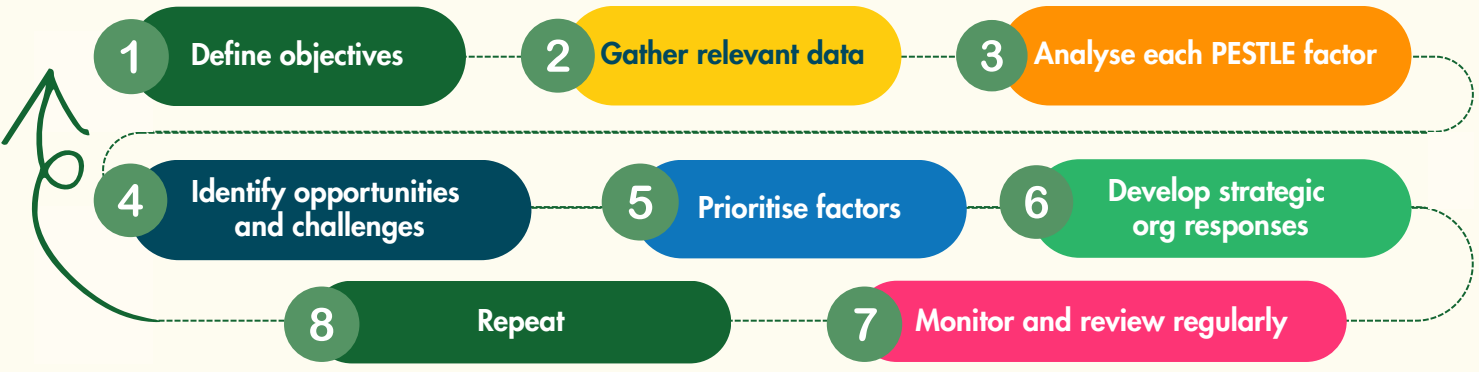
Environmental



Considers the impact of environmental issues, such as climate change, weather patterns, and environmental regulations, on organisations.



Step by step guide



Key considerations and questions

Political

- How government decisions and actions affect your work.
- **Ask:** What are the current government's priorities? Is funding for our cause increasing or decreasing? How do local council policies impact our services? What is the political mood towards the issues we tackle?

Economic

- How the state of the economy impacts your charity and the people you serve.
- **Ask:** Is the cost-of-living crisis affecting our donors' ability to give? Are we facing higher costs for rent and utilities? Is unemployment rising in our community, increasing demand for our services?

Social

- How changes in society's values, behaviours, and demographics affect your mission.
- **Ask:** What are the public attitudes towards our cause? Is our community becoming more diverse? Are people volunteering more or less? What new social issues are emerging that we should address?

Technological

- How new technologies present opportunities or challenges.
- **Ask:** Can we use new software to work more efficiently? Are we using social media effectively to raise awareness? Are we at risk from cyber-attacks? Could we use AI to improve our services?

Legal

- How laws and regulations affect how you operate.
- **Ask:** Are we fully compliant with charity law, GDPR, and safeguarding regulations? Are there new employment laws we need to follow? Do we need to change our services to meet new legal standards?

Environmental

- How environmental and climate issues relate to your work.
- **Ask:** How can we make our operations more sustainable (e.g., reduce waste, energy use)? Are the people we serve affected by climate change or pollution? Do our donors and supporters expect us to have a strong environmental policy?