

Risk Sources

There are many different ways to categorise risk and this document shows some of the most common.

PESTLE is a well known acronym that is used as a prompt to ensure that all risk source areas are considered when identifying risks on a project. PESTLE stands for:

	Political: the current and potential influences from political pressures.
	Economic: the local, national and world economy impact.
	Sociological: the ways in which changes in society affect the organisation.
	Technological: the effect of new and emerging technology.
	Legal: the effect of local, national and world legislation.
	Environmental: the local, national and world environmental issues.

Risks can also be categorised by the areas they affect such as:

- Financial
- Safety
- Social and environmental
- Construction
- Supply chain.

A more comprehensive breakdown of generic risk factors would typically include:

Contracting strategy	Stakeholder interest	Management effectiveness
Supplier performance	Alignment of motives	Human & physical resources
Technology change	Technology difficulty	Project complexity
Information & knowledge	Financial uncertainties	Ability to specify
Schedule adherence	Estimating processes	Assumptions & constraints
External events		