RISK ASSESSMENT AND MANAGEMENT

Ishika Jain
19111027, 6th Semester
Department of Biomedical Engineering
National Institute of Technology , Raipur

Guided by :
Prof. Saurabh Gupta Sir

ABSTRACT

1 RISK MANAGEMENT PROCESS

Businesses face many risks, therefore risk management should be a central part of any business' strategic management. Risk management helps you to identify and address the risks facing your business and in doing so increase the likelihood of successfully achieving your businesses objectives.

A risk management process involves:

methodically identifying the risks surrounding your business activities assessing the likelihood of an event occurring understanding how to respond to these events putting systems in place to deal with the consequences monitoring the effectiveness of your risk management approaches and controls As a result, the process of risk management:

improves decision-making, planning and prioritisation helps you allocate capital and resources more efficiently allows you to anticipate what may go wrong, minimising the amount of firefighting you have to do or, in a worst-case scenario, preventing a disaster or serious financial loss significantly improves the probability that you will deliver your business plan on time and to budget Risk management becomes even more important if your business decides to try something new, for example launch a new product or enter new markets. Competitors following you into these markets, or breakthroughs in technology which make your product redundant, are two risks you may want to consider in cases such as these.

2 The types of risk your business faces

The types of risk your business faces The main categories of risk to consider are:

strategic, for example a competitor coming on to the market compliance, for example the introduction of new health and safety legislation financial, for example non-payment by a customer or increased interest charges on a business loan operational, for example the breakdown or theft of key equipment These categories are not rigid and some parts of your business may fall into more than one category. The risks attached to data protection, for example, could be considered when reviewing your operations or your business' compliance.

Other risks include:

environmental risks, including natural disasters employee risk management, such as maintaining sufficient staff numbers and cover, employee safety and up-to-date skills political and economic instability in any foreign markets you export goods to health and safety risks

- INPUT

3 Strategic and compliance risks

Strategic risks are those risks associated with operating in a particular industry.

They include risks arising from:

merger and acquisition activity changes among customers or in demand industry changes research and development For example you might consider the strategic risks of the possibility of a US company buying one of your Canadian competitors. This may give the US company a distribution arm in Canada. You may want to consider:

whether there are any US companies which have the cash/share price to do this whether there are any Canadian competitors who could be a takeover target, perhaps because of financial difficulties whether the US company would lower prices or invest more in research and development Where there's a strong possibility of this happening, you should prepare some sort of response.

Compliance risk

Compliance risks are those associated with the need to comply with laws and regulations. They also apply to the need to act in a manner which investors and customers expect, for example, by ensuring proper corporate governance.

You may need to consider whether employment or health and safety legislation could add to your overheads or force changes in your established ways of working.

You may also want to consider legislative risks to your business. You should ask yourself whether the products or services you offer could be made less marketable by legislation or taxation – as has happened with tobacco and asbestos products. For example, concerns about the increase in obesity may prompt tougher food labelling regulations, which may push up costs or reduce the appeal of certain types of food.

-

4

-

5

-

6

7

1.