ALY6130 – Risk Management Analytics

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Signature Assignment

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**Introduction:**

Below is the Risk Management Assessment of men’s fashion clothing store AABHUSHAN. It offers formal and semi-formal clothing and custom-made clothing for a sharp gentleman. The apparel includes a wide range of shirts, t-shirts, suits & blazers, jackets, sweaters, trousers and jeans only for men. This brand defines class, standard and elegance. AABHUSHAN combines a casual look with trend-led fashion that defines the modern man. Through this assignment, let us discuss the SWOT (Strength, Weakness, Opportunity and Threat) analysis of this enterprise.

**Background:**

From the SWOT Analysis, below are the strengths, weaknesses, opportunities and threats for AABHUSHAN,

Strengths:

It has a wide collection of garments which includes shirt, t-shirt, suit & blazers, jeans, pants and casual shorts only for men. Very affordable prices as it manufactures its own products. Attracting customers from all over the world by its quality and customer satisfaction. Ability to sell products anywhere in the world and hiring some top designers for the custom-made section. Lastly, competes well in high middle-class range and up.

Weaknesses:

It has less global visibility as compared to the other international brands. Very high competitors in the clothing field. People do-not have enough knowledge of clothing materials like which material is durable and royal so brand switching by customer is possible. Last, digital presence is very limited for now.

Opportunities:

Expanding the global presence will be more profitable. Increasing online presence and advertising more can be a great move for a clothing store. In future, women’s section can be included to attract wide range of customers. Having tie-up with various international companies can help to improvise the fashion sense globally.

Threats:

New brands are evolving day by day so the competition will be on top notch which can led to competitive pricing. Sale of duplicate product in name of AABHUSHAN can be a serious threat. Rapid changing fashion trends and changing the style too much can push loyal customers away.

**Identification of Risks:**

The primary risk is the competition with modern advancing brands. Typically, a genuine threat that can lead to competitive estimating. To outlive this risk, Exploratory Data Analysis of each fabric can get pretty helpful experiences and modern way better combination of quality items can make a new difference. For case, to form a suit we need customer to choose a creator cloth piece and from the examination of each cloth piece able to say which distributer contains a superior cost and what are the other comparable or way better items that a sales representative can prescribe especially. To total the chance appraisal, I can offer assistance as a Jr. Data Analyst to perform EDA and to screen the cost patterns and more.

Second, the rapid changing fashion trends can be a serious threat. The designer must change the clothing sense according to the trend or else customer attraction can be affected. To overcome this risk, a Tableau Dashboard can be a solution. Tableau will take data continuously for the Dashboard that presents the visualization of customer ratings, satisfaction and recommendations for further improvisations if needed. This will keep the store in current fashion trend. I can help as a Tableau Developer and prepare an online dashboard for the store.

Finally, the digital presence should be extended. This may be a chance as few clients may incline toward buying clothes online since of ease of access and return offices in drift presently. Further since of this Covid-19 widespread, individuals tend to purchase more clothes online as it were which anticipates them to be in physical contact. I can offer assistance as a Jr. Software Developer to create a proficient e-commerce application for three major working frameworks like iOS, Windows and Android. Extending digital presence will also offer assistance to pick up more supporters on social media stages like Instagram, Facebook, Pinterest and more.

**Qualitative Risk Assessment:**

Qualitative risk analysis is a risk examination strategy that prioritize extend risks and allots a rating based on the likelihood a risk can end up a veritable issue and the potential impact on the venture. Below mentioned risks are based on its affect and probability of occurring.

First, the primary risk is the competition with modern advancing brands. Typically, a genuine risk that can lead to competitive estimating. Here, I will favor to utilize Scenario analytics to analyze the dubious cutting-edge scenarios that will or may not happen in future. They are as follow,

All is going well: The economy is growing steadily over the five-year period with only minor slowdowns. Manufacturing team is adapting current trend and provides the best clothing material to the customers, which has also increased our brand value.

Intensifying competition:A new competitor enters the market. Although, it takes time to make a stable impression on customers but towards the end of period that competitor is making more profit than ours. This could be a really intensifying situation.

To prevent the most intensifying situation, here I suggest achieving an exploratory data analysis and gain the deep knowledge about each fashion material which includes cost of material, manufacturer price, is that material sustainable or not and many more insights that can help to compete in the market. This risk is further quantifiable for Quantitative Analysis.

**Second,**the rapid changing fashion trends can be a serious threat. The designer must change the clothing sense according to the trend or else customer attraction can be affected. Below are the scenarios mentioned for this risk using scenario analysis process,

All is going well:The senior designer and designing team are successful to suggest current trending clothes to the manufacturing unit to manufacture. Aabhushan is doing great only minor conflicts.

Unsatisfied customer because of poor styling recommendation:Few customers are going back without buying clothes from the store just because of poor styling recommendation from the staff members and designers.

To outlive this chance, I propose creating a Tableau dashboard from which originators and the staff individuals can pick up experiences about today’s on-going design trend. This will keep the total group up to date about the fashion ideas and can pick up the thought almost what to recommend for certain body sorts and client choices. This chance is further qualified for a quantitative examination.

**Third,** digital presence needs to be expanded. This can be a risk as few customers may prefer buying clothes online because of ease of access and return facilities in trend now. Below are the scenarios created by the Scenario analytics technique,

Enough customers are visiting the store:Good amount of business is happening, enough customers are visiting the store but that is not enough, more interaction and advertisement is needed to gradually overtake the competitor.

Less customers are visiting the store:Due to this Covid-19 virus, less customers are visiting the store and who knows what will happen in the future. Majority people are comfortable to buy clothes online and now a days all the competitors are providing first class shipping and return services for the online order. This can be a serious threat for a physical clothing showroom.

To overcome this, I suggest developing an online application that supports Windows, IOS and Android operating systems. This risk is also eligible for further quantitative analysis.

**Quantitative Risk Assessment:**

This is a premonitory strategy for frequently and precise tracking key assumptions about the task environment and the rivals into the longer term to alert the decision makers when the circumstance changes in a possibly noteworthy and unsafe way. To anticipate and avoid possibly critical threatening marketplace movements or shocks, I&W analysts attempt to associate clues gathered from what could be massive quantities of complex and advancing information. In other words, I&W acts as an alarm for the decision makers and diminishes the rate of surprises.

The primary risk is the rising competition with modern advancing brands. This can be a genuine danger that can lead to competitive estimating. Here, I will favor to utilize Indicators & Warning analysis to analyze the dubious cutting-edge scenarios which will or may not happen in future. Underneath, I have validated and rank the Indicators against edge levels to decide when warning should be issued.

Indicator 1: Sudden and unexpected departure of the key executives.

Indicator 2: Offering equally good or better products for a lower price.

Indicator 3: Purposefully attacking or destabilizing segments of the market in which our firm achieves a high proportion of its profit.

First, Rival firm may offer a very high and attractive offer to our sales executives and attracting them for our rival firm. This can cause serious damage because the key executives who left had enough work experience and knowledge about our firm. They can leak our weaknesses and strengths to rivals which can be a great advantage for them to target our pricing policies and customer satisfaction rate.

Second, the rival firm can make a move by offering an equally good or better products for a comparative low-price range. This can cause customer dissatisfaction and we may lose their trust again.

Third, rival firm may intentionally attack or destabilize our fragments of the showcase in which we accomplish a tall benefit pick up. For case, in AABHUSHAN our best-selling item is an Indo-western suit so there's a chance that we may watch an unordinary action to lower down our offering of this specific product by offering a much better advanced suit and with distant better evolved suit and much better cost run. Underneath are the Warnings that can be a cause for these above-mentioned Pointers.

Warning 1: Rival offering a high price to our key executives to attract their knowledge and experience from our firm.

Warning 2: Customers complaining about high price and planning to purchase products from the rival firm.

Warning 3: Drastic decrease of high selling products or detecting some unusual activities by performing EDA which targets our profit margin of products.

**Risk Response Strategy:**

First, Rival firm may offer a very high and attractive offer to our sales executives and attracting them for our rival firm. This can cause serious damage because the key executives who left had enough work experience and knowledge about our firm. They can leak our weaknesses and strengths to rivals which can be a great advantage for them to target our pricing policies and customer satisfaction rate. The rival firm can make a move by offering an equally good or better products for a comparative low-price range. This can cause customer dissatisfaction and we may lose their trust again.

Second, for fast changing fashion patterns the essential key marker is the unsatisfied client taking off the store without acquiring any item. Another indicator is the declaration from the competitor approximately propelling their modern item on an awfully enormous scale. Management and Designing group ought to persistently screen Tableau dashboards to get it and keep up with the unused and fast changing design patterns. Agreeing to these dashboards, staff administrators ought to suggest item individually.

Third, to improvise our online presence, the recruitment team should hire a software developer to develop an e-commerce application for web, IOS and Windows platforms. Digital presence needs to be expanded. This can be a risk as few customers may prefer buying clothes online because of ease of access and return facilities in trend now. Mainly after this COVID pandemic, most people tend to buy products online because of no-contact delivery facilities.

Threshold for unexpected departure of key executives can be equal advertising an alluring cost to pull in our experienced and gifted administrators. Threshold for competitors offering way better price choice and fast changing fashion trend could be a client taking off the store without acquiring any item and getting complaints from them around our tall cost.

**Key Risk Indicators and Trigger Points for Action:**

Key Risk Indicators are estimations utilized by organizations to provide an early flag of expanding hazard exposers in various zones of the enterprise. In a few occurrences, they may speak to key segment that management in every part of the organization track as Indicators of evolving risks and possible openings which triggers the need for actions that got to be taken. Others may be elaborative and necessitate the aggregation of a few individual risk indicators into a multi-dimensional score almost turning up occasions that may lead to new risks or opportunities. Below are the KRIs for the following risks.

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| **Risk Events** | **KRIs to Monitor Risk Proactively** |
| Competition with new evolving brands | 1) Sudden and unexpected departure of the key executives.  2) Change in number of men clothing showrooms in city.  3) Competitor offering equally good or better products for a lower price. |
| Rapid changing fashion trends | 1) Unsatisfied customers leaving the store without purchasing staff recommended products.  2) Announcement of competitors launching new products on big scale. |
| Improvising online presence in market | 1) Competitors attracting more and more traffic online.  2) More people prefer e-shopping after this 2020 pandemic situation. |

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| Indicators | Significance (1-7) | Warning(cause) | Actions to be taken |
| Unexpected departure of the key executives. | 7 | Rival offering an attractive price to attract our experienced and skilled executives | Quarterly or Yearly reviews of executives should be considered and implemented in action. |
| Offering better products at better price. | 6 | Customers leaving the store without purchasing any product and getting complaints from them about our high price | Performing EDA and putting the best price according to our profit margin and gaining more and more customer satisfaction. |
| Purposefully attacking or destabilizing segments of our market. | 5 | Drastic decrease in our most high selling products. | Continuously monitoring Tableau dashboards and taking the required actions as per need. |

**Conclusion:**

From this assignment, the decision makers of AABHUSHAN can assess the risk management strategies for future upcoming possibilities. All in all, I have stated the SWOT Analysis, Qualitative Risks, Quantitative Risks, Risk Response Strategies, Key Risk Indicators and their actions that are needed to be taken. Finally, I have attached the Risk Treatment and Response Plan with this assignment while submitting.