**Summary Post**

by [Nkosana Mlambo](https://www.my-course.co.uk/user/view.php?id=16924&course=8751) - Thursday, 22 September 2022, 3:43 PM

Number of replies: 0

**Risks of Digitalisation of Business Models – A Collaborative Discussion**

The Case study by Kovaitė and Stankevičienė (2019) illustrates some of the risks around applying digitalisation to more traditional business processes, as well as providing a methodology for carrying out the risk assessment of the digitalisation process

An emphasis was made that the adoption of these advanced technologies have changed our everyday lives and subsequently lead small, medium, and big corporates to transform their business models.

A RADi (Risk assessment for Digitalisation) to be used when planning and implementing Industry 4.0 pillars into existing or new business models. These categories mainly consist of technical risks, competence risks, internal behavioural risks (related to staff skills and attitudes), external behavioural risks (related to customers’ and partners’ attitudes and changes), data security risks, and financial risks.

On the risks pertaining to external behavioural risks, My Peer Jane Aldridge emphasised that there needs to be a shift in thinking and that majority of risks with Industry 4.0 are going to reside with the other partners and customers in the value chain, and there needs to be a way of categorising these external risks and having mitigations in place, and this is going to be challenging when dealing with an external entity as end to end security is a prerequisite for industry |4.0 to succeed, and further concluded that this will require a new model for assessing risk.

Some of the Risks that can be realised competence risks leading to job losses for unskilled labour as these technologies will render some jobs obsolete due to automated processes and can also in turn introduce new jobs that never existed before and will not require human intervention.

My Peer Jane Aldridge shared the same sentiments that industry |4.0 will result in job losses for unskilled labour. And shared as estimation by (Frank, 2022) that around one fifth of the global workforce will be affected in a variety of industries, which is a huge impact.

**References**

Kovaitė, K. and Stankevičienė, J. (2019) *Risks of digitalisation of business models*.

 Frank, S. (2022*) Industry 4.0 effect on jobs market*. Available from:

https://www.samuelfrank.com/industry-4-0-affect-on-jobs-market/

[Accessed 16th September 2022].