

Pampered Pets: Risk Assessment and Recommendations

Pampered pets are highly known for its strong local reputation, providing high quality pet products as a pet supply boutique. At current Pampered Pets primarily operates as a face to face, in-store boutique, with little online engagement. This report intends to evaluate the risks associated with maintaining the current business model in comparison to taking a more digitised approach and the associated benefits.

Threats and Vulnerabilities- **Current model**

The current business approach of Pampered Pets suggests a number of potential risks. The main threats associated with the current model widely revolves around human error (cash handling, customer service, errors in manual spreadsheet) and restricted customer base. The primary threats include physical theft, supply chain interruptions, human error such as Inventory being managed through manual spreadsheet tracking which may increase the likelihood of errors, and constrained market reach. Vulnerabilities lie in the reliance on local suppliers-reliance on local suppliers may pose risks in cases of shortages, where farms are unable to meet required demands,

Current Model Response Strategies

- **Mitigate:** Staff training on use of point-of-sale system and spreadsheets as well as diversifying suppliers.
- **Accept:** Minor operational delays.
- **Transfer:** Insure against theft or loss/damage
- **Avoid:** Implementation of secure storage facilities and installation of alarm systems.

The current model limits its potential growth, being largely dependent on a local customer base and lacking an online sales channel which could lead to an increased growth in sales.

NIST Risk Management Framework (RMF). NIST RMF provides a systematic process in the identification and assessment of risks and allows comparison of the current business model and intended digitalisation. Associated risks of the current model and digitisation can be classified into four main categories (figure 1.0) as follows:

<u>Risk</u>	<u>Current Model</u>	<u>Digitalisation</u>
Operational	Errors within manual spreadsheet	Staff training time consumption
Technical	Limited security for existing systems	Cyber breaches and website vulnerabilities
Financial	Limited growth potential	Investment in mitigation of cyber risks
Reputational	Customers experiencing poor customer service leading to negative reviews	Breaches may lead to reputational damage, negative reviews

Figure 1.0 Risk Categorisation

(NIST, 2018)

Threats and vulnerabilities- Digitalisation

Digitalisation would prove advantageous however presents risks associated:

- **Cyber Threat Risks:** Digitalisation may attract cyber threats and require investment in methods to mitigate against risks
- **Staff Training:** Employees will need training in order to adapt to new systems which may be time consuming and costly.

When making comparisons between the digitalisation of the business and maintaining the current model, both strengths and weakness are clearly apparent. In the digitalisation of the business, there are significant growth potential, whilst in maintaining the current model, this is limited. The current model places reliance on face-to-face transactions therefore the business only appeals to those who are local or willing to travel, digitalisation increases the businesses reputation and customer potential and appeals to those who prefer to shop online or live further away.

Risk Assessment – Digitalisation

Proposed Digital Recommendations

- The Implementation of an integrated management system in order to automate inventory, accounting, and supplier operations.
- Online marketing strategies and social media usage to promote the business
- Customer relationship management (CRM) system for customer management and reliability
- Development of an online sales platform to allow customers to browse, order, and make payment for orders made remotely

References

NIST (2018) *Framework for Improving Critical Infrastructure Cybersecurity*. National Institute of Standards and Technology.

