**Rationale for Risk Register Entries**

In any business, identifying and managing risks is crucial for ensuring smooth operations and long-term success. This is particularly true for Green Thumb Nursery, a small business that relies heavily on timely access to supplies and functional technology to maintain its day-to-day operations. By understanding the potential risks and implementing strategies to mitigate them, Green Thumb Nursery can continue to thrive despite potential disruptions.

Risk ID:

Ordering Supplies, “there is a chance of not having access to the supplies necessary to support the nursery (including office supplies, fertilizer, additional inventory, and so on).”

For Green Thumb Nursery, having a steady supply of items like fertilizers, pesticides, and office supplies is critical. These items are fundamental to the nursery's operations, ensuring that plants remain healthy and continue to grow. According to the business owner, the nursery typically orders enough supplies to last three months. However, if for some reason they cannot restock within this period, they face significant challenges. For instance, if they run out of nutrients for the plants, it would only take three days before the plants start to show signs of issues, such as stunted growth and loss of life.

The primary method for ordering supplies is through online platforms. This dependency on an internet connection introduces a risk. If the internet goes down or if the supplier's website is unavailable, the nursery cannot place their orders on time. Furthermore, if their main supplier runs out of stock, finding alternative suppliers quickly enough can be challenging. This situation can happen any moment by unforeseen events like natural disasters, which can disrupt supply chains and lead to delays in delivery. A real-world example of this risk occurred during the COVID-19 pandemic when many businesses experienced significant delays and shortages due to disrupted supply chains. Businesses that had a single source of supplies were particularly affected, this is why it is important to have multiple suppliers and maintain a buffer stock.

This risk is highly likely because online systems and supplier availability can be unpredictable. The severity of this risk is also high because without the necessary supplies, the plants cannot be maintained properly, leading to potential loss of inventory and revenue. To manage this risk, Green Thumb Nursery should add more suppliers. By establishing relationships with multiple suppliers, the nursery can ensure that if one supplier is unavailable, another can provide the necessary supplies. Additionally, maintaining a buffer stock of critical supplies that can cover at least a week's needs is crucial. This buffer acts as a safety net, giving the nursery time to address supply issues without immediately impacting plant health. For example, in addition to their primary supplier, the nursery could establish accounts with local garden stores and other online retailers. This way, they have multiple places to obtain supplies. Keeping an inventory buffer of at least one week’s worth of supplies means that even if there is a disruption, they have time to find alternative solutions without the plants suffering.

Risk ID:

Technology, “there is a chance of not being able to access the point-of-sale (POS) system or the licensing portal for regulated items (for example, pesticides and chemicals).”

The nursery uses a computer system to handle sales transactions, track inventory, and manage other critical operations. This system relies on the internet to function. Which at any moment anything can happen, from down time to hacks, to bugs in the system. If the system fails or the internet goes down, it can severely disrupt the nursery's ability to conduct business. For example, if the POS system is down, the nursery cannot process customer transactions efficiently, leading to a loss of sales and customer dissatisfaction.

The risk here is significant because the POS system is key to the nursery's operations. If the system goes down, they cannot process sales, track inventory, or generate necessary reports. This dependency on technology means that any disruption can have immediate and negative impacts on the business. An example of this is the frequent downtime experienced by many businesses during internet outages or system failures which happens quite a lot in today’s age. Such downtimes not only disrupt sales but also complicate inventory management and financial reporting. For a small business like Green Thumb Nursery, which may not have the IT support like big companies do, these disruptions can be particularly damaging.

The likelihood of technology failure is moderate. While technology is generally reliable, issues can and do occur. However, the impact of such failures is high because it directly affects the nursery's ability to conduct business. Without the POS system, sales processes halt, inventory management becomes challenging, and customer service suffers.

To handle this risk effectively, the nursery should implement several strategies. First, having a backup computer system that can be used in case the primary fails. This ensures that operations can continue with minimal disruption. Additionally, the nursery should have a manual process for recording sales that can be used if the POS system or internet is down. Once the system is back up, these manual records can be entered into the POS system to ensure continuity. Regular maintenance and updates of the POS system and hardware also plays a factor. By keeping the system updated, the nursery can reduce the chances of unexpected failures. Moreover, the nursery could consider investing in a backup internet connection. This secondary connection can be used if the primary one fails, ensuring continuous internet access and minimizing downtime. For instance, they could maintain a paper logbook for recording sales during system outages. Employees can manually record transactions and later input the data into the POS system. Regular training sessions on how to handle technology failures and use backup systems can also help ensure that all employees are prepared for such events.

The process of creating this came off somewhat of a challenge, but due to the experience I gained working as the manager over the Produce Department (throughout covid at that) at Walmart it ended up being similar in a way when it came to the risks and how to plan for them. I have been with Walmart for 14 years and many situations have come up from fires, to power outages, to short stock especially throughout covid when everything else was closed. Seeing these things firsthand helped when it came to strategizing for this register. Effective risk management involves identifying potential risks, understanding their impact, and implementing strategies to mitigate them. For Green Thumb Nursery, managing the risks associated with ordering supplies and technology is crucial for maintaining smooth operations. By diversifying suppliers, maintaining buffer stocks, having backup systems, and preparing for manual operations during technology failures, the nursery can significantly reduce the likelihood and impact of these risks. This proactive approach ensures that Green Thumb Nursery can continue to provide high-quality products and services to its customers, even in the face of potential disruptions.