

## Collaborative Learning Discussion 1

In reply to Jonathan Ajodo

### Peer Response-2

by [Gokul Kurunthasalam](#) - Sunday, 28 August 2022, 4:57 PM

Hi Jonathan Ajodo,

I enjoyed reading your post. You have briefly co-related the I4.0 with our Unit -1 and 2 concepts including RADi, types of risks, qualitative, quantitative risks and methods involved in risk assessments. Moreover, as per (Kovaitė and Stankevičienė, 2019) case study, with the fast transformations of economies, advantages and benefits of Industry 4.0 are widely discussed.

Risks related to the making decision when choosing between alternatives to business models driven by Industry 4.0 are rarely investigated. Industry 4.0 drivers make shifts fast and result in unpredictable risks to the changes of business models: the value of data, cybersecurity, the criticality of a function and scalability of failure, misuse of ownership, cost of a mistake, etc.

The goal of their research is to identify a matrix of risk assessment that would analyze the impact of particular hazards on different business model canvas blocks, should those blocks become digitalized as a result of Industry 4.0. Following matrix design, the FARE method was applied. For each type of risk, experts were requested to complete a template. The average was then calculated, and the total information was then entered into the risk assessment matrix.

Their article adds to the body of scientific literature by creating a matrix of risk assessment and business models that are Industry 4.0-driven. A risk assessment RADi matrix is presented and put to the test. The FARE method which RADi employs, enables the evaluation of the relationship between two factors and an item. RADi identifies the risks that are most likely to affect the business model's concrete building blocks and determines which blocks are more susceptible to modification.

### **References:**

Kovaitė, Kristina & Stankevičienė, Jelena. (2019). Risks of digitalisation of business models. 10.3846/cibmee.2019.039. [Assessed on 28 Aug 2022]

Dmitry Ivanov, Alexandre Dolgui & Boris Sokolov (2019) The impact of digital technology and Industry 4.0 on the ripple effect and supply chain risk analytics, International Journal of Production Research, 57:3, 829-846, DOI: 10.1080/00207543.2018.1488086

Kristina Kovaitė and Jelena Stankevičienė: "Risk assessment of business models driven by Industry 4.0" Published Online: Copyright © 2021 Inderscience Enterprises Ltd; November 27, 2020 pp 1-21