**Risk Management Assignment**

**“Café 54/55- Restaurant and Cafe” Ltd.**

Dear “Mahin Ahmed, Md.Jannatul Ferdous, Salma Zaman Shila”

Congratulations and Welcome to “Cafe 54/55- Restaurant and Cafe”.

We sincerely hope your time with us as a Risk Analyst Trainee will be full of new experiences and learnings.

Here is your first assignment. You have been assigned to a three-person team with two other trainees. Your team’s job is to analyze any risks that can have a negative impact on the business. You need to identify the Assets, Risk scenarios, Risk appetite and Tolerance related to these assets and finally generate an Overall Risk Rating in Percentage for your department/company based on your research.

You are given 3 following Tables to help you get the results.

**Table 1: Risk Likelihood Scale**

**Table 2: Risk Impact Score**

**Table 3: Overall Risk Rating Matrix and Calculation**

Now gear up for work and submit the Final report. You have one week to complete the assignment.

Best of Luck Everyone!

These are the companies you are working for:

1. CarBar- Online Car Rental App

2. DIU Student Management System, DIU

3. Cafe 54/55- Restaurant and Cafe

4. Ryan Computers- Computer store

5. Murir Tin- Vehicle servicing centre

6. Eatery-Online Food Ordering App

7. Noteboard-Press and Printing Service

8. EducationOnline- Online Teaching App

9. Smart Courier Service

10. Akashbari Real Estate Company

***Regards***Manager  
“Cafe 54/55- Restaurant and Café”

**Team No: 05 Date:04/03/2023**

Member 1: Mahin Ahmed (191-15-1029)  
Member 2: Md. Jannatul Ferdous (191-15-2497)   
Member 3: Salma Zaman Shila (193-15-3009)

**Risk Appetite and Risk Tolerance:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Threat-sources** | **Risk Scenarios** | **Risk Appetite**  **(Frequency per year)** | **Risk Tolerance** |
|  | **Social perception** | Bad reviews | 20 | ± 20% |
|  | **Natural disasters** | Long-term power failure | 5 | ± 15% |
|  | **Technological changes** | System Unavailable | 3 | ± 5% |
|  | **Legislation** | Bad effects in profits | 2 | ± 10 % |
|  | **Competition** | Same Competitor | 2 | ± 5% |
|  | **Globalization** | Poor strategy | 2 | ± 5% |
|  | **Data security** | Database hampered | 3 | ± 10 % |
|  | **Rising costs** | Over rate of materials and other resources | 2 | ± 10 % |
|  | **Poaching** | Poor skilled and poor experienced competitor | 2 | ±10 % |
|  | **Hardware Failures** | HDD crashed | 10 | ± 10 % |

**Table 1: Likelihood Scale**

|  |  |  |
| --- | --- | --- |
| **Rating** | **Likelihood** | **Likelihood of Occurrence** |
| 0.1 | Low | Not expected, but there's a slight possibility it may occur at some time. |
| 0.5 | Moderate | The event might occur at some time as there is a history of casual occurrence. |
| 1 | High | There is a strong possibility the event will occur as there is a history of frequent occurrence. |

**Risk frequency based on Risk Scenarios on assets if vulnerability is present or not:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Assets** | **Risk Scenarios** | **Risk Frequency Evaluation Details/Paragraph** | **Vulnerabilities**  **(Yes / No)** | **Risk Frequency Rating** |
|  | **Social perception** | Bad reviews | Nowadays, a business is mostly depending on online reviews. So, for restaurant, online bad review is so harmful. | Yes | 1 |
|  | **Natural disasters** | Long-term power failure | Natural disaster is not a weakness of our business. | No | 0.1 |
|  | **Technological changes** | System Unavailable | For technological changes, there have taken some time to get updated system, that effect on business. | Yes | 0.1 |
|  | **Legislation** | Bad effects in profits | For new legislation, there have occurred some changes on business policy. | Yes | 0.5 |
|  | **Competition** | Same Competitor | Due to more competitor, sustaining business becomes difficult. | Yes | 0.5 |
|  | **Globalization** | Poor strategy | There is a possibility of loss, if haven’t adopted good strategy in business. | Yes | 1 |
|  | **Data security** | Database hampered | For database hampered, effect on billing system. | Yes | 0.1 |
|  | **Rising costs** | Over rate of materials and other resources | Sales will decrease due to increase in price but it’s not our problem. | No | 0.5 |
|  | **Poaching** | Poor skilled and poor experienced competitor | Poor skilled competitor will not be able to deal well with customer. | Yes | 1 |
|  | **Hardware Failures** | HDD crashed | It’s an accidental problem. If so, then it must be solved. | No | 0.1 |

**Table 2: Impact Scale**

|  |  |  |
| --- | --- | --- |
| **Rating** | **Magnitude of Impact** | **Impact Definition** |
| **100** | **High** | **Occurrence of the risk:**  May result in stoppage of the service for DIU’s customer or serious disruption of service;  May result in the loss of resources on sensitive data; or  May significantly harm, or impede the ABCBANK’s mission, reputation or interest. |
| **50** | **Moderate** | **Occurrence of the risk:**  May result disruption of service for the client  or users;  May increase customer dissatisfaction; or  May violate, harm, or impede the DIU’s mission, reputation or interest. |
| **10** | **Low** | **Occurrence of the risk:**  May result disruption of service for certain area of service or the branch; |

**Note: Likelihood X Impact = level of risk**

**Overall Risk Rating Table:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Assets** | **Risk Scenarios** | **Probability / Risk Frequency Rating** | **Consequences**  **(Impact)** | **Overall Risk Rating** |
|  | **Social perception** | Bad reviews | 1 | 50 | 50 |
|  | **Natural disasters** | Long-term power failure | 0.1 | 10 | 1 |
|  | **Technological changes** | System Unavailable | 0.1 | 10 | 1 |
|  | **Legislation** | Bad effects in profits | 0.5 | 10 | 5 |
|  | **Competition** | Same Competitor | 0.5 | 10 | 5 |
|  | **Globalization** | Poor strategy | 1 | 50 | 50 |
|  | **Data security** | Database hampered | 0.1 | 100 | 10 |
|  | **Rising costs** | Over rate of materials and other resources | 0.5 | 10 | 5 |
|  | **Poaching** | Poor skilled and poor experienced competitor | 1 | 10 | 10 |
|  | **Hardware Failures** | HDD crashed | 0.1 | 10 | 1 |

**Your Overall Risk Rating Calculation**

**138 ÷ 1000 x 100 = 13.8%**

**Table 3: Overall Risk Rating Matrix and Calculation**

|  |  |  |
| --- | --- | --- |
| **Rate** | **Value** | **Condition** |
| Strong | 1 | If the percentage is below 8% |
| Satisfactory | 2 | If the percentage is below or equal 16% and above or equal 8% |
| Fair | 3 | If the percentage is below or equal 25% and above16% |
| Marginal | 4 | If the percentage is below or equal 30% and above 25% |
| Unsatisfactory | 5 | Above 30% |

**Result and Conclusion:**

The result is satisfactory. Because the percentage of overall risk rating calculation is 13.8%.

After our research, we found some probable risks. For maintain our business well, we must pay attention of these risks. We must be careful in quality of cooking for good reviews on social media. We must keep a backup power supply for long-term power failure. We must try to use updated technology. We must focus on the profit in the time of legislation. Always we must try to provide good service to customers for competition purposes with another competitor. Last of all we must focus on our all risks.