

**MODULE A**  
BUSINESS RISK MANAGEMENT

**Modular Approach to Business Improvement:**

**Module A – Business Risk Management**

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## **Section 1: Introduction to Business Risk Management**

### **1.1 Introduction of a Business Risk Management Culture**

- Development and implementation of communication strategies to raise risk awareness across a business on strategic, business and project levels.
- Embedding the Business Risk Management Culture into the business through workshops, interviews, employee communications or team meetings.

## **Section 2: Structure for Business Risk Management**

### **2.1 Analysing and reviewing existing Business Risk Management policies and strategies for effectiveness, relevance and good industry practice.**

- Benchmarking existing Business Risk Management policies and strategies against good industry practice using (e.g. Institute of Business Risk Management (UK), British Standards Institution).
- Identifying shortcomings and implementing improvements to bring existing Business Risk Management strategies in line with good industry practice.

### **2.2 Developing and implementing new Business Risk Management policies and strategies for Business Risk Management within business on strategic, business and project levels**

- Develop and implement new Business Risk Management strategy or policy where no such strategy or policy currently exists.
- Consideration and inclusion of social change, governance, health and safety, regulations and business requirements when developing new strategies or policies.

### **2.3 Developing implementation plans for new/revised Business Risk Management policies and strategies to minimise disruption and maximise participation on strategic, business and project levels.**

- Developing an implementation plan and assisting with the roll-out within a business.
- Communications, workshops and training can be provided to enhance knowledge and obtain commitment from staff to actively manage risk in accordance with strategy and policy.

### **2.4 Identifying resource requirements to successfully implement and maintain efficient Business Risk Management within a business.**

- Analysing existing organisation structures, departmental and individual functions to determine the resource requirements.
- Assisting with the implementation of new resource structures, providing the sufficient training and knowledge to successfully manage Business Risk.

### **2.5 Evaluating Business Risk Management tools with business needs to select and implement appropriate and cost efficient tools/solutions.**

- Comparing different software and tools to business needs, requirements and financial ability.
- Establishing a Risk Register that contains sufficient information to allow successful Business Risk Management.

### **Section 3: Risk Identification, Assessment, Analysis and Evaluation**

#### **3.1 Identifying risks on strategic, business and project levels.**

- Using different methods including Mind Showering, SWOT Analysis, Interviews, Structured Workshops and Fishbone Diagrams.
- Linking related risks where applicable and creating relationships between strategic, business and project risks.
- Identifying both risks and opportunities.

#### **3.2 Assessing and Evaluating risks on strategic, business and project levels.**

- Establishing probability/impact diagrams (PIDs) depending on the business' risk appetite.
- Determining strategy in terms of terminating, treating, transferring or tolerating risk. For opportunities strategy will look at enhancing, transferring or ignoring these opportunities.
- Evaluating impacts in terms of probabilities and impacts on strategic, business and project levels. Including financial, customer, reputation and time impacts.

#### **3.3 Analysing trends, historic data and behaviours to forecast future risk exposure**

- Reviewing existing and previous records, claims, disputes or invoices to identify trends.
- Combining historical data with current behaviours to forecast future exposure and establish risk profiles.

### **Section 4: Risk Treatment and Control**

#### **4.1 Identifying Mitigation Action**

- Reviewing risk impacts and identifying existing and future mitigation that will reduce impact and/or probability.
- Weighing up mitigation costs with exposure reductions to determine feasibility of mitigation.
- Evaluating the mitigation values to determine level of risk exposure reductions.

#### **4.2 Maintaining a Risk Register**

- Developing management structures and process to maintain a current Risk Register.

#### **4.3 Reviewing and Control**

- Establish controls to monitor effectiveness of mitigation controls
- Determine frequencies of review and level of control

## **Section 5: Risk Transfer and Residual Risk**

### **5.1 Transfer Strategies**

- Establish, review and implement different transfer strategies including insurance, outsourcing, joint ventures and diversification.

### **5.2 Management of Residual Risk**

- Identifying risk appetites and tolerable risk levels.
- Identifying tolerable risks and setting up controls to monitor these risks.

## **Section 6: Internal Control**

### **6.1 Corporate Risk Management**

- Establish methods of central management to ensure risk is actively being managed on strategic, business and project level.
- Setting up of appropriate forums or platforms to effectively communicate strategy and policy or any changes to existing strategy or policy.

### **6.2 Reporting Systems**

- Defining reporting needs within the business on board, management and floor levels.
- Developing reports to communicate current risk information in the most effective manner.