

Categories of risk

Match the business headlines to the types of risk they represent: strategic, operational, financial, compliance.

Bad weather causes ferry cancellations - food shortages predicted

Union Bank of Scotland to buy Belgian insurance company

Convenience food withdrawn after tests show use of banned additives

Companies say rise in the value of the dollar will hit exporters

Your personal attitude to risk

Would you do these things?



Identifying stance expressions 1

TEXT A:

OPINION

Prices of commodities **seem likely to continue** rising **across the board** in the foreseeable future. In the current climate of rising inflation **generally** **there remains little doubt** that the impact on households' real wealth, **not to mention** their **rapidly deteriorating** mood, will be **wholly unpleasant**. **In my view** the government's reputation for economic competence is now in **tatters**.

Identifying stance expressions 2

TEXT B:

To make matters worse for the beleaguered minister, it now emerges that the tough new business regulations she is now promoting so forcefully were originally proposed not by her own government but by the opposition.

Surely that is an example of hypocrisy, is it not? It is little wonder that voters are increasingly confused over where the latest feel-good policy is coming from.

Identifying stance expressions 3

TEXT C:

On balance, it could be argued that the likelihood of the enterprise succeeding seems somewhat limited. While there are some grounds for optimism with regard to the technology actually functioning correctly, considerable doubts remain over the ability of the project to withstand the probable risks which may lie ahead.

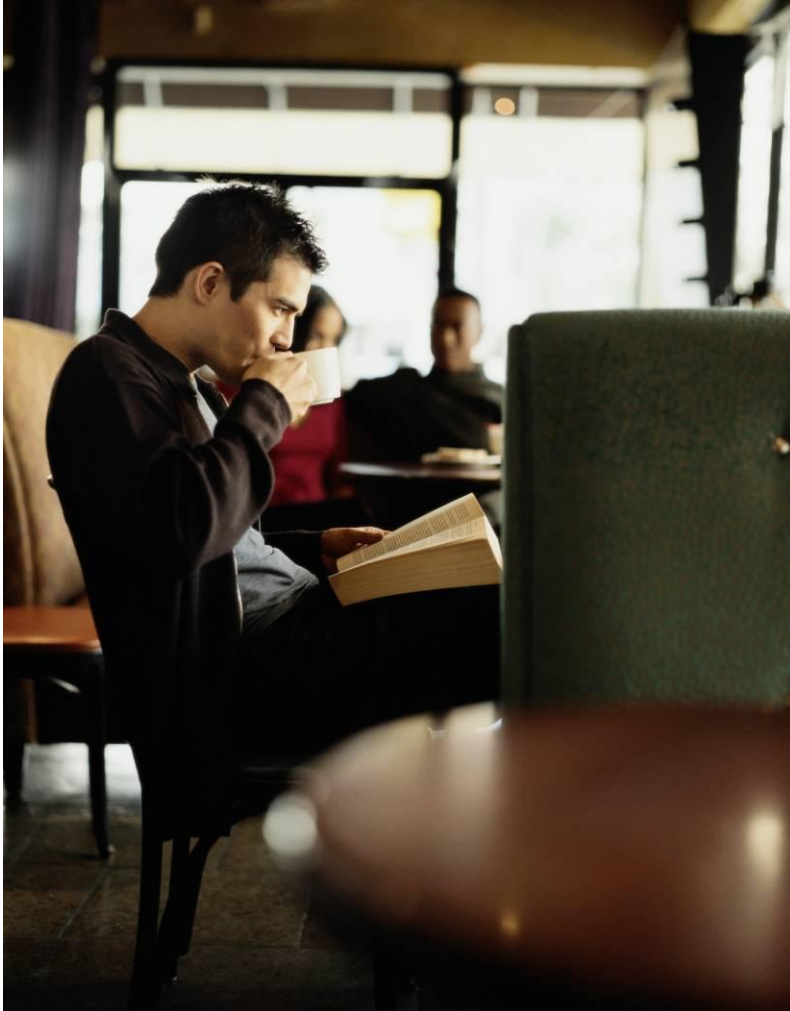
CONFIDENTIAL

Identifying stance expressions 4

TEXT D:

While the company makes every effort to ensure that our products reach you in perfect condition, on this occasion we recognize that our standards clearly fell short of your expectations. We therefore have no hesitation in offering you a full refund plus a voucher which you may use in part-payment for a future purchase. We remain confident that you will be completely happy with our products in future.

Brainstorming



You have opened a small coffee shop next to a university. What are the possible risks you may need to manage?

Use these categories of risk:

Strategic

Operational

Financial

Hazard



Preparing for media interviews

Can you complete these tips? Use one word for each space.

1 Dress _____ .

2 Make an _____ of the points you want to cover.

3 _____ the questions you think you will be asked.

4 _____ your interview with colleagues or friends beforehand.

5 Videotape _____ and check out your _____.

6 If the interview is in your office, _____ it _____.



Things to do during media interviews

Can you complete these tips? Use one word for each space.

- 1 Maintain _____ contact with the interviewer.
- 2 Sit _____ right on your chair.
- 3 _____ your hands and keep them still. Don't fidget!
- 4 Keep your answers _____.
- 5 Stay _____.
- 6 Don't feel you have to _____ the space if there is silence.

Pharmaceutical firm

For immediate release

Pharmacone totally rejects the allegation that its over-the-counter drugs are overpriced in developing countries. The prices charged for our drugs, which include painkillers and treatment for skin infections, are already 50% of Western prices.

Pharmacone is committed to improvements in health care worldwide as our recently set up aid programmes in India and Pakistan demonstrate. These programmes focus on health education in remote rural areas.

At a time when unfounded rumours about Pharmacone are circulating we want to put the record straight and ensure that all our customers wherever they are in the world get the truth.

Film company

For immediate release

Possum Pictures Films wishes to make it clear that no dogs were hurt in the making of *The Hounds of Hell*.

Contrary to rumours, all the dogs used in the film were well looked after, are fit and well, and looking forward to the sequel, *The Hounds of Hell II*.

The fight scenes in question were made using computer generated imagery and the rumours circulating are testament to the high production values of *The Hounds of Hell*.

Possum Films strongly supports animal welfare and donated 5% of its profits from the film to animal charities.

Perigord Gourmet - hazard risks

Risk

- 1 Damage or sabotage of production facilities
- 2 Theft or 'kidnap' of animals from farms
- 3 Kidnap or attacks on staff by animal rights groups

Impact

- 1 Short-term impact, can probably be transferred by insurance
- 2 Short term impact, treat by increased security
- 3 Major impact, treat by increased security or terminate by giving up sales of foie gras



Perigord Gourmet - financial risks

Risk

- 1 Exchange rates make products too expensive in foreign markets
- 2 Exchange rates make Hungarian imports too expensive

Impact

- 1 Limited impact for luxury product, tolerate or treat using financial instruments and / or outsourcing
- 2 Short-term impact, treat by sourcing alternative suppliers



Perigord Gourmet - operational risks

Risk

1 Raw materials: quality problems, disease

2 Processing and warehousing: sabotage of finished goods

3 Distribution: website breakdown or sabotage, transport or postal strikes, picketing

Impact

1 Short-term impact, treat by improving quality systems, sourcing alternative suppliers

2 Major impact, treat with increased security or terminate by giving up sale of foie gras

3 Impact could be major, treat with redundant systems and increased security

Perigord Gourmet - strategic risks

Risk

1 Sale of foie gras banned or limited in Europe, or customer boycott

2 Damage to company's image by association with animal cruelty

Impact

1 Major impact, treat by lobbying, developing alternative products and markets

2 Major impact, treat by advertising or changing production methods

