## Activity 10 (SO4, AC 1-5)

This is a group activity

Explain the concept of risk management, using examples to improve your explanation. You may choose examples from the list of risks below.

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In a group, do a risk assessment of the following risks as they will apply to a business of one of the learners in the group:

* Demand
* Competition
* Capability to produce/service at an economic and marketable price
* Level of capital required
* The risks involved in being an employer
* Insurance and security risks

Use the table on the next page as a guideline.

Then draw up a plan to control the risks. Use the table on the next page as a guideline

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| RISK ASSESSMENT | | |
| Identify uncertainties / risks  Explore the entire contract and look for areas of uncertainty. | Analyse risks  Specify how those areas of uncertainty can impact on delivering the products or service as required by the contract | Prioritise risks  Which risks should be eliminated completely, because they have the potential of impacting extremely on the business or because they will need regular management attention,  And which risks are small enough not to impact too much on the business and will not need detailed management attention |
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| RISK CONTROL | | | |
| The nature of the risk | How will the risk be spotted | What must be done to resolve it | Who will do it (be accountable for recovery from the risk) |
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