

B03-05 Business Risk Assessment

Why does a car have brakes? - It makes the car goes fast!

Look at the following You Tube Video:

<https://www.youtube.com/watch?v=P-O3Nlie3ck>

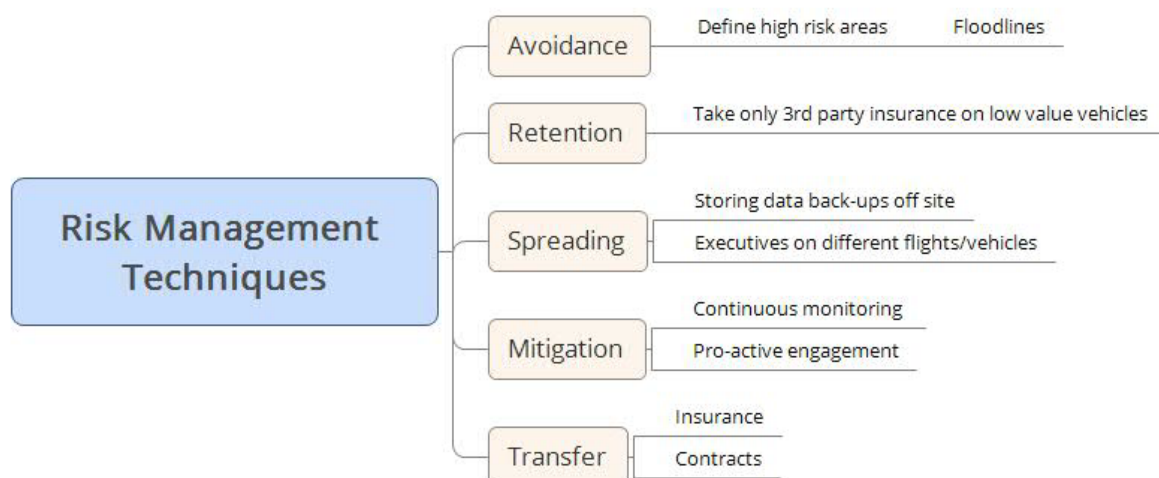
To what extent are we in control of our risk exposure?

We address this topic to enhance sustainability and improve efficiency of the business and not impose constraints on the intrepidity of the entrepreneur. Individuals has limited control over most aspects of the environment that we live in. However, we can monitor trends and attempt to predict some events and potential changes. We can also screen data and information to make better informed decisions. It is really the uncertainty that creates opportunity to explore. In the process business always takes calculated risks.

Once the entrepreneur identified a potential business opportunity, the risk assessment process/analysis can be applied to guide the conceptual development. This is done by starting and maintaining a business risk register that can assist with development of the business plan and application for funds. Entrepreneurs are essentially Enterprise Risk/Opportunity Managers.

In the process the entrepreneur:

- 1) Identifies and categorise the potential risks associated for that specific business.
- 2) Develops a quantitative scoring system that prioritise the risk based on impact and probability(likelihood) of occurrence.
- 3) Ranks the risks according to the results of the scoring system. (What are the major risks? The red flags?)
- 4) Develops a mitigation strategy/plan which apply basic risk management techniques.





- 5) Monitors the situations and adjust where required. The rate of updating the register will depend on the rates of change. Suggest start with a monthly frequency.

Registered members of CGI can download a Quantitative Risk Analysis Template from the CBI website.

cbimobpot.co.za/Admin Portal/Archive/Tools/CBI Quantitative Risk Analysis Template

Also look at the following Links:

Business in a Box:

https://www.business-in-a-box.com/docs/?q=risk-mitigation-plan&a=risk-mitigation-plan&s=google&c=world2&qad_source=1&qclid=Cj0KCQiA2eKtBhDcARIsAEGTG420loOUAVkFI0iqYJGBH6JNPjsq3OKPQxvH0m_N7PpnKqaO8FcyND8aApNzEALw_wcB

Investopedia:

<https://www.investopedia.com/articles/financial-theory/09/risk-management-business.asp>