

**HOW TO**  
**DEVELOP**  
**INDUSTRIAL**  
**RISK**  
**MANAGEMENT**  
**SOLUTIONS**  
**THROUGH**  
**PROFESSIONALS**

SYNDICATE : 05

PRESENTED BY INTAKE 36

RESTRICTED

**DS COMMENT**

**TITLE PAGE**

- |    |                   |   |  |       |                    |
|----|-------------------|---|--|-------|--------------------|
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**ABSTRACT**

This article explores risk management in global industrial investment by identifying linkages and gaps between theories and practices. It identifies opportunities for further development of the field. Three related bodies of literature have been reviewed: risk management, global manufacturing, and investment. The review suggests that risk management in global manufacturing is overlooked in the literature; that existing theoretical risk management processes are not well developed in the global manufacturing context and that the investment literature applies mainly to financial risk assessment rather than investment risk management structures. Further, there appears to be a serious lack of systematic industrial risk management in investment decision making. This article highlights the opportunities to deploy current good practices more effectively as well as the need to develop more robust theories of industrial investment risk management. The approach adopted to investigate this multidisciplinary topic included a historical review of the literature to understand the diverse background of theoretical development. A case study research approach was adopted to collect data, involving four global manufacturing companies and one risk management advisory company to observe the patterns and rationale of current practices. Supporting arguments from secondary data sources reinforced the findings. The research focuses on risk management in global industrial investment. It links theories with practice to understand the existing knowledge gap and proposes key research themes for further Research.

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## **INTRODUCTION**

1. What is risk management? Risk management means the identification, evaluation, and arrangement of risks followed by coordinated and economical application of resources to minimize, monitor, and control the impact of unfortunate events or to minimize the realization of opportunities. Risks may occur from different causes including accidents, natural causes, and disasters, uncertainty in financial markets.

2. Military definition of risk management is “Risk management is the process of identifying, assessing, and controlling risks arising from operational factors and making decisions that balance risk costs with mission benefits.”

3. The ISO 31000 Risk Management Standard, published in 2009 by the International Standard Organization (ISO). It defines the risk management process as "coordinated activities to direct and control an organization concerning risk". It also defines the risk management framework as a "set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization".

4. Risk management standards have been developed by various institutions. Methods, definitions, and goals vary widely according to whether the risk management method is in the context of project management, security, engineering, industrial processes, financial collections, actuarial assessments, or public health and safety. Strategies to manage threats typically include avoiding the threat, reducing the negative effect or probability of the threat, transferring all or part of the threat to another party, and even retaining some or all of the potential or actual consequences of a particular threat. The opposite of these strategies can be used to respond to opportunities.

5. Certain risk management standards have been criticized for having no measurable improvement on risk, whereas the confidence in estimates and decisions seems to increase. In ideal risk management, a prioritization process is followed whereby the risks with the greatest loss and the greatest probability of happening are handled first. Risks with a lower probability of occurrence and lower loss are handled in descending order. In practice, the process of assessing overall risk can be difficult, and balancing resources used to mitigate between risks with a high probability of



occurrence but lower loss, versus a risk with high loss but lower probability of occurrence can often be exploited.

6. Immaterial risk management identifies a new type of risk that has a 100% probability of occurring but is ignored by the organization due to a lack of identification ability. Relationship risk appears when ineffective teamwork occurs. Processengagement risk may be an issue when ineffective operational procedures are applied. These risks directly reduce the productivity of knowledge workers, decrease costeffectiveness, profitability, service, quality, brand value, and earnings quality. Immaterial risk management allows risk management to create immediate value from the identification and reduction of risks that reduce productivity. Opportunity cost represents a unique challenge for risk managers. It can be difficult to determine when to put resources toward risk management and when to use those resources elsewhere. Again, ideal risk management minimizes spending and also minimizes the negative effects of risks.

**OBJECTIVES**

7. The main objective of this research is to study industrial risk management in Sri Lanka, study how to develop it, and make a presentation which will critically engage and evaluate the problems and laces of risk management and give new suggestions, plans, and work in process projects to develop the industrial risk management.
  - a. Learn about industrial risk management.
  - b. Give good and effective solutions to industrial risk management.
  - c. Introduce new methods, policies, and modern technologies that other countries use for their industrial risk management.

**METHODOLOGY**

8. For the most part, these methods consist of the following elements, performed, more or less, in the following order.
  - a. Identify the threats.
  - b. Assess the vulnerability of critical assets to specific threats.
  - c. Determine the risk.
  - d. Identify ways to reduce those risks.

**PRINCIPLES**

9. The International Organization for Standardization (ISO) identifies the following principles of risk management. Risk management should:

- a. Create value – resources expended to moderate risk should be less than the consequence of inaction.
- b. Be an integral part of organizational processes.
- c. Be part of the decision-making process.
- d. Explicitly address uncertainty and assumptions.
- e. Be a systematic and structured process.
- f. Be based on the best available information.
- g. Be tailorable.
- h. Take human factors into account.
- i. Be transparent and inclusive.
- j. Be dynamic, iterative, and responsive to change.
- k. Be capable of continual improvement and enhancement.
- l. Be continually or periodically re-assessed.

**RISK OPTIONS**

10. Risk mitigation measures are usually formulated according to one or more of the following major risk options, which are:

- a. Design a new business process with acceptable built-in risk control and control measures from the start.
- b. Periodically re-assess risks that are accepted in ongoing processes as a normal feature of business operations and modify mitigation measures.
- c. Transfer risks to an external agency (e.g. an insurance company).
- d. Avoid risks altogether (e.g. by closing down a particular high-risk business area).

11. Later research has shown that the financial benefits of risk management are less dependent on the formula used but are more dependent on the frequency and how risk assessment is performed. In business, it is imperative to be able to present the findings of risk assessments in financial, market, or schedule terms. Robert Courtney Jr. (IBM, 1970) proposed a formula for presenting risks in financial terms. The Courtney formula was accepted as the official risk analysis method for the US governmental agencies. The formula proposes calculation of ALE (annualized loss expectancy) and compares the expected loss value to the security control implementation costs.

**AREAS TO BE CONCERNED**

12. As applied to risk management is the technique for measuring, monitoring, and controlling the financial or operational risk on a system, a traditional measure is a value at risk, but they're also other measures like profit at risk or margin at risk. We mainly discuss the following areas to respective fields as follows:

a. Business and Management field. Business risk management (BRM) is a subset of risk management which is used to evaluate business risks involved if any changes occur in the business operations, systems, or processes. It identifies, prioritizes, and addresses the risk to minimize penalties from unexpected incidents. It also involves an integrated response to risks and facilitates a well-informed risk-based decision making capability. Risk assessment provides a mechanism to identify the risks representing opportunities and which risks represent threats to the industry. These risks can be categorized as negative and positive risks and can be used accordingly to make use of the opportunity or to avoid and mitigate the threats.

(1) Financial risk. Risks about financial assets. Risks related to pricing, currency exchange, and liquidation of assets.

b. Health care. From the onset, hospitals and healthcare organizations have been risky environments. That being said, the turmoil so many businesses experience today is exponentially magnified in hospital and healthcare environments. The top critical issues facing hospital leadership, include:

(1) Preparedness for Pandemics. To be prepared to face any risk or emergency, a hospital should have in place a permanent Hospital Emergency Committee responsible for developing the Hospital Emergency Risk Management Program, of which an Emergency Response Plan is an essential component. The Hospital Emergency Management Committee should include representatives of the hospital's main activities, including administration, medical and nursing care, emergency department services, infection prevention, and control, pharmacy services, laboratory services, security, engineering and

maintenance, human resources, laundry, food services, cleaning and waste management, and communication.

c. Marine engineering field. Several risks are facing the marine industry that are not new but which are changing all the time; these include political risk, terrorism, and piracy. Cyber risk is, of course, a big concern for the marine industry. Vessels increasingly are reliant upon computer systems for navigation, and this opens up the possibility of a ship's course being altered. Cyber poses a very real risk if you are transporting perishable goods – any delay to delivery caused by a cyberevent could result in large losses.

(1). Cyber risk. A good example of the real threat cyber poses to the marine industry is the two-year-long attack on the Port of Antwerp during which a Dutch criminal gang used the port to transfer drugs hidden in containers carrying bananas and timber, among other things, from South America. The gang hired a group of hackers who hacked the system of two piers in the port which managed the transport, storage, and shipment of thousands of containers that pass through the port – one of the busiest in the world – each day. The hack allowed the gang to send in truck drivers to steal the cargo before the real customers arrived to collect their goods. To improve cybersecurity in health care, organizations need to hire informatics professionals who can not only collect, manage, and leverage data, but protect it as well. Individual health care organizations can improve their cybersecurity by implementing the following practices: Establish a security culture, Protect mobile devices, Maintain good computer habits, Use a firewall, Install and maintain antivirus software, Plan for the unexpected, control access to protected health information, Use strong passwords and change them regularly, Limit network access.

d. Civil engineering field. Risk management in construction projects has been recognized as an important management process to achieve the project objectives in terms of time, money, quality,

processing, safety, and environmental sustainability. However, for some reason until now most research has focused on aspects of risk management of construction rather than using a systematic and comprehensive approach to identifying risks and analyzing the probability of occurrence and impact of these risks.

(1) Labour Shortages & Productivity Issues. Not having enough workers available to complete a project or hit productivity goals is a huge risk when taking on new projects. Without the manpower to perform the work, the project can suffer from longer construction schedules and potential delays in delivering the project on time to the owner. Safety is also a risk factor to consider when working with new employees. They lack the training and experience to know all the rules or be able to identify hazardous situations on the job site. Safety training is just as, if not more, important as skills training and should be a top priority with new hires. To combat labor shortages, offer competitive wages and benefits, and develop a strong company culture that values employees and rewards hard work and dedication. This requires time and money to invest in the training and development of your workforce. To retain workers, provide opportunities for training, mentoring, and continuing education courses available to both your new and existing employees. Establish advancement opportunities and career paths for workers to move up within your organization.

e. Mechanical engineering field. Mechanical industrial is associated with power-driven machines whether automated or manually operated machines driven by hydraulic or electrical power. In industries, mechanical equipment is using to make easy the industrial process. The industry has to identify the hazards, assess the associated risks to tolerate level continuously, risk assessment has been performed using risk assessment guidelines and standards, such as. Risk Assessment is a systematic method of identifying and analyzing the hazards associated with an activity and establishing a level of risk for each hazard. The hazards cannot be eliminated, and thus there is a need to define and estimate an accident risk level possible to be prevented either



quantitatively or qualitatively. Hazard identification and risk analysis involve the identification of undesirable events that leads to a hazard, the analysis of the hazard mechanism by which this undesirable event could occur, and usually the estimation of extent, magnitude, and the likelihood of harmful effects. In many industries, there is a legislative requirement for risk assessment to be undertaken for all hazardous equipment, machinery, and operations taking into account the procedures used in operation, maintenance, supervision, and management.

**AIM**

13. To educate the audience about the industrial risk management solutions through professionals.

**DISCUSSION**14. **BUSINESS RISK MANAGEMENT**

a. Business risk management (BRM) is a subset of risk management which is used to evaluate business risks involved if any changes occur in the business operations, systems, or processes. It identifies, prioritizes, and addresses the risk to minimize penalties from unexpected incidents. It also involves an integrated response to risks and facilitates a well-informed risk-based decision making capability.

b. Businesses become unpredictable, volatile, and complex day by day, and it is identified that risks should be minimized, or mitigated.

c. Risk assessment provides a mechanism to identify the risks representing opportunities and which risks represent threats to the industry. These risks can be categorized as negative and positive risks and can be used accordingly to make use of the opportunity or to avoid and mitigate the threats.

Business risk management process involves:

- (1). Identifying risks- by studying internal and external factors affecting the business objectives.
- (2). Analyzing risks- identifying and creating the probable outcomes of each risk.
- (3). Responding to risk- an appropriate strategy needs to be implemented, either by establishing new processes or eliminating prevailing processes, depending on the type of the risk.
- (4). Monitoring risk and opportunities- a continual measurement of the risks and opportunities of the business environment and evaluating the management strategies.

d. The types of risks are as follow:

- (1). Hazard risks – anything in the workplace which has potential harm to the people. It includes factors that are not under the control of the business environment, such as defects in machinery, chemicals, or natural disasters.
- (2). Financial risk- risks concerning financial assets. Risks related to pricing, currency exchange, and liquidation of assets.
- (3). Operational risk- the risks resulting from internal processes, system, people or due to external factors.

(4). Strategic risk- risks resulting from wrong business plans, loss of competition in the market, failure to respond to changes in the business environment, or inadequate capital allocation.

e. Identifying risk

(1). Risk identification is essential in a well-prepared business. A well-prepared business can minimize the impact of risks on earning, time management, productivity, and the negative impact on its customers. The ability to identify risks is a key part of strategic business planning. Most firms face risks that are preventable, strategic, or external threats that can be managed through acceptance, transfer, reduction, or elimination.

f. Risk analysis

(1). Risk analysis helps to identify and manage potential problems affecting key business initiatives or projects. First, the possible threats should be identified and should be estimated. Risk analysis includes information such as project plans, financial data, security protocols, marketing forecasts, and other relevant information.

(2). Risk analysis is useful in many instances such as when planning projects when deciding whether or not to move forward with a project when improving safety and managing potential risks in the workplace, events such as technology failure, theft, staff sickness, or natural disasters.

(3). The identification of threats is to identify the possible threats that the business might face. These threats could be human, operational, reputational, procedural, project, financial, technical, natural, political, etc.

(4). Once the threats are identified, it is required to calculate the likelihood that these threats could be realized and the possible impact should be estimated.

**Risk value = Probability of event x Cost of the event**

g. Risk Management

(1). Risk management is done after identifying and analyzing the possible threats. Most often, cost-effective approaches are used.

Approaches include avoiding risks, sharing the risk, accepting the risk, or controlling the risk.

h. Monitoring of risk

(1). Monitoring and review of the risk management process should involve regular checking and surveillance. The results should be recorded and reported internally and externally as appropriate. The results could also be used as input for continuous improvement of the firm's risk management framework. The firm's monitoring and review processes should include all aspects of the risk management process to ensure effective and efficient controls in design and operation, obtain further information to improve risk assessment, detecting changes in the internal and external environment, and to identify emerging risks. The main two steps of monitoring the risks of a business are:

- i. Monitoring and reviewing regularly, the firm's risk register
- ii. Continuous improvement, by periodic reviewing of the risk management framework.

15. HEALTH RISKS MANAGEMENT

a. What are the problems caused by industries?

(1). Industrialization, while important for the economic growth and development of society, can also be harmful to the environment. Amongst other things, the industrial process can cause climate change, pollution to air, water, and soil, health issues, extinction of species, and more.

(2). Industrial pollution impacts air quality, and it can enter the soil, causing widespread environmental problems. Industrial activities are a major source of air, water, and land pollution, leading to illness and loss of life all over the world.

b. What are the industrial pollution facts?

(1). Burning coal, burning fossil fuels like oil, natural gas, and petroleum. Chemical solvents are used in dyeing and tanning industries. Untreated gas and the liquid waste being released into the environment.

c. How does air contamination will affect human health?

(1). The toxic gases that factories release into the air, combined with those added by automobiles on the road, mean that we have an increased risk of developing chronic respiratory disease, lung cancer, heart disease, and many other illnesses, diseases, and conditions.

(2). The pollutants emitted from industrial complexes enter the human body through the respiratory system or skin and can cause allergic reactions, respiratory symptoms, and various acute and chronic diseases, such as asthma, chronic obstructive pulmonary diseases, lung dysfunctions, skin and eye diseases, acute bronchitis, etc.

d. How does water contamination will affect human health?

(1). Bacterial, viral and parasitic diseases like typhoid, cholera, encephalitis, poliomyelitis, hepatitis, skin infection, and gastrointestinal are spreading through polluted water. It is recommended to examine the water quality on regular basis to avoid its destructive effects on human health.

(2). Chemicals can be toxic because they can harm us when they enter or contact the body. Exposure to a toxic substance such as gasoline can affect your health. Since drinking gasoline can cause burns, vomiting, diarrhea, and, in very large amounts, drowsiness, or death, it is toxic.

e. How does soil contamination will affect human health?

(1). Soil pollution can have several harmful effects on ecosystems and humans, plants, and animal health. Soil pollution can also cause a neuromuscular blockage as well as depression of the central nervous system, headaches, nausea, fatigue, eye irritation, and skin rash.

f. What can industries do to reduce pollution?

(1). Reducing toxic emissions from industrial sources, reducing emissions from engines through new stringent emission standards and cleaner-burning gasoline, and addressing indoor air pollution through voluntary programs.

g. Identifying risks in healthcare organizations

(1). For healthcare organizations, workdays are fast-paced, short-staffed, and intensely regulated. In this challenging environment, where any adverse incident can negatively impact an organization's operations, reputation, and earnings, there is little room for errors. That's why the best healthcare companies practice enterprise risk management (ERM), engaging the whole organization in the shared responsibility of turning risks into opportunities for continuous improvement. ERM is flexible by design, adaptable to suit any organization's mission and management style.

16. RISK MANAGEMENT OF MARINE ENGINEERING INDUSTRY

a. Risk is like queering someone or something valued to an unknown or anticipated danger, harm, or loss. Even though there is no such universally accepted general definition of risk, but one commonly applied and authoritative resolution in most industrial contexts defines risk as "A combination of the probability, or frequency, of occurrence of a defined hazard and the magnitude of the consequences of the occurrence."

b. According to International Maritime Organization (IMO), the risk is the "combination of the frequency and the severity of the consequence", thereby articulates two components of the likelihood of occurrence and the probability of severity of the (un) predictable consequences.

c. What are some of the major evolving risks facing the marine industry?

(1). Several risks are facing the marine industry that are not new but which are changing all the time; these include political risk, terrorism, and piracy. Cyber risk is, of course, a big concern for the marine industry. Vessels increasingly are reliant upon computer systems for navigation, and this opens up the possibility of a ship's course being altered. Cyber poses a very real risk if you are transporting perishable goods – any delay to delivery caused by a cyber-event could result in large losses.

(2). A good example of the real threat cyber poses to the marine industry is the two-year-long attack on the Port of Antwerp during which a Dutch criminal gang used the port to transfer drugs hidden in containers carrying bananas and timber, among other things, from South America. The gang hired a group of hackers who hacked the system of two piers in the port which managed the transport, storage, and shipment of thousands of containers that pass through the port – one of the busiest in the world – each day. The hack allowed the gang to send in truck drivers to steal the cargo before the real customers arrived to collect their goods.

d. The Marine Risk Assessment Process

(1). Basically, the risk assessment process is concerned with observing the company's activities and operations, identifying what might go wrong, and deciding upon what should be done to prevent it.

(2). The identification of hazards is most important since it determines the course of actions to be followed thereafter. Observation of the activities helps in achieving perfect accuracy and completeness which again can only be accomplished by a systematic process. For this, it is necessary to have professional training and instruction to assure its application thoroughly and consistently. Also, it is important to keep in mind that hazards must not be confused with incidents whereas incidents must not denote consequences.

(3). The marine risk assessment helps in the evaluation of each hazard associated with the risks in terms of the likelihood of harm and its potential aftermath. This assists in enabling the company to imply priorities and exploit its scarce resources for the greatest effect.

(4). While settling with the application of controls, it is essential to take the frequency of the activity into account so that a potential moderate risk may be more important to be addressed upon than a rare but substantial risk.

e. What about advances in risk management?

(1). New technologies can also help to manage risks too, of course. Risks can be monitored by putting chips into containers. If goods are sensitive to light or temperature, for example, this technology can help us to make better risk assessments. We expect to see this type of technology become widely used in the next few years.

(2). For risk managers with marine exposures, international insurers can not only help them to put those risks into a global insurance program but also to gain a greater awareness of the risks they face and how to manage and mitigate them. Risk engineering and insurers with a global scope have an important role to play in helping to raise the risk awareness of our marine clients.



17. RISK MANAGEMENT IN CIVIL AND MECHANICAL ENGINEERING FIELDS

TOTAL COMMITMENT	RISK	IMPACT	MITIGATION	OPPORTUNITY
<b>Protecting the environment</b>	<b>High energy use and poor waste management</b>	<ul style="list-style-type: none"> <li>➢ Direct contribution to climate change</li> <li>➢ Increased operating costs</li> <li>➢ Inability to address client needs</li> <li>➢ Legal action through non-compliance with legislation</li> </ul>	<ul style="list-style-type: none"> <li>➢ Energy efficiency campaign</li> <li>➢ Clear policies on vehicle and plant selection and use, monitoring and management of fuel consumption</li> <li>➢ Engaging with clients and through industry groups on best practice</li> <li>➢ Robust environmental management system (ISO 14001)</li> <li>➢ Use of technology and alternative methods of transport</li> <li>➢ Strategies for waste reduction in place</li> <li>➢ Engagement with waste and recycling businesses</li> </ul>	<ul style="list-style-type: none"> <li>➢ Increased operational efficiency</li> <li>➢ Operational cost savings</li> <li>➢ Business differentiator</li> </ul>
<b>Managing our supply chain</b>	<b>Poor project delivery and use of non-sustainable materials</b>	<ul style="list-style-type: none"> <li>➢ Negative environmental impact of using materials that are not sustainable</li> <li>➢ Poor project delivery through not managing our supply chain and subcontractors properly</li> <li>➢ Association with poor labour practices</li> </ul>	<ul style="list-style-type: none"> <li>➢ Establishing minimum standards through procurement policy</li> <li>➢ Risk assessment of potential high risk materials and services</li> <li>➢ Promotion of Supply Chain Sustainability School to suppliers</li> </ul>	<ul style="list-style-type: none"> <li>➢ Driving improved labour sourcing and ethical procurement across supply chain with wider benefits on materials sourcing</li> </ul>
<b>Working with communities</b>	<b>Local resistance to projects</b>	<ul style="list-style-type: none"> <li>➢ Reduced client engagement</li> <li>➢ Community resistance to projects</li> <li>➢ Inability to win contracts and reduced opportunity for growth</li> </ul>	<ul style="list-style-type: none"> <li>➢ Robust planning and identification of project risks</li> <li>➢ Active engagement with local communities</li> <li>➢ Associate membership of Considerate Constructors Scheme</li> <li>➢ Use of Public Liaison Officers</li> <li>➢ Use of the 'LM3' tool</li> </ul>	<ul style="list-style-type: none"> <li>➢ Adding value and direct benefit to communities</li> <li>➢ Providing local employment through apprenticeships</li> <li>➢ Leaving a legacy in communities</li> <li>➢ Being seen as a forerunner in addressing economic growth and adding value to communities through our construction activity</li> </ul>
<b>Governance</b>	<b>Failure by employees to observe the appropriate standards of integrity and conduct in dealing with clients, suppliers and other stakeholders</b>	<ul style="list-style-type: none"> <li>➢ Reputational damage</li> <li>➢ Failure to adapt and innovate to deliver client expectations</li> <li>➢ Inability to win contracts and reduced opportunities for growth</li> <li>➢ Exposure to potential fines/liability for regulation or legislation breaches</li> </ul>	<ul style="list-style-type: none"> <li>➢ Policy of non-engagement in government lobbying</li> <li>➢ Implementation of Perfect Delivery philosophy across the Group</li> <li>➢ Regular client and stakeholder engagement</li> <li>➢ Independent raising concerns helpline available for all employees</li> <li>➢ Ethics policy communicated to all employees</li> <li>➢ Training in place to ensure awareness of and compliance with both competition law and the Bribery Act</li> <li>➢ Internal and external audit</li> </ul>	<ul style="list-style-type: none"> <li>➢ Reputation enhancement as an ethical, client focused organisation</li> <li>➢ Ability to win work and attract talented employees</li> </ul>

## CONCLUSION

18. Risks management is an important process because it empowers a business with the necessary tools so that it can adequately identify and deal with potential risks. Once a risk's been identified, it is then easy to mitigate it. Besides, risk management provides a business with a basis upon which it can undertake sound decision-making.

19. For a business, assessment, and management of risks is the best way to prepare for eventualities that may come in the way of progress and growth. When a business evaluates its plan for handling potential threats and then develops structures to address them, it improves its odds of becoming a successful entity.

20. Besides, progressive risk management ensures the risks of a high priority are dealt with as aggressively as possible. Moreover, the management will have the necessary information that they can use to make informed decisions and ensure that the business remains profitable.

21. While risk management can be an extremely beneficial practice for organizations, its limitations should also be considered. Many risk analysis techniques-- such as creating a model or simulation -- require gathering large amounts of data. This extensive data collection can be expensive and is not guaranteed to be reliable.

22. Furthermore, the use of data in decision-making processes may have poor outcomes if simple indicators are used to reflect the much more complex realities of the situation. Similarly, adopting a decision throughout the whole project that was intended for one small aspect can lead to unexpected results.

23. Another limitation is the lack of analytical expertise and time. Computer software programs have been developed to simulate events that might harm the company. While cost-effective, these complex programs require trained personnel with comprehensive skills and knowledge to accurately understand the generated results. Analyzing historical data to identify risks also requires highly trained personnel.

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