

# Risk Management - Why Should You Care?

Do you know what effect not complying with the appropriate standards will have on the ability of your business to continue operating effectively?

Have you thought about how you ensure your staff are provided with a safe working environment?

What happens to your business if you cannot recruit suitably trained staff?

These are examples of risks associated with managing your business. They are present in all facets of your operation and at all levels. Have you thought about the risks that are linked to following your strategic direction? What about identifying those risks that are part of your day to day operations and those associated with undertaking that specific project?

A risk is broadly defined as anything that potentially impacts on achieving your objectives. Risk management is simply a process used to identify, reduce or control these risks.

Some risks can be insured against or transferred to others; some may be accepted as a part of usual business operations as they are beyond your control or too expensive to eliminate; others can be reduced by improving systems or controls; ideally we would like to eliminate all of our risks.

Ignoring risks which are associated with your business and its operations could negatively impact on:

- your reputation
- the financial position of the business
- public and customer confidence
- the health and safety of staff, customers and clients
- your plant, equipment or the environment.

A proactive approach to risk management will help in:

- improving your decision making process by ensuring the strategies you adopt effectively cover all contingencies and are hooked into appropriate mitigation actions
- developing a tailored approach to suit your organisation and in assisting in creating value
- facilitating continuous improvement throughout the organisation.

