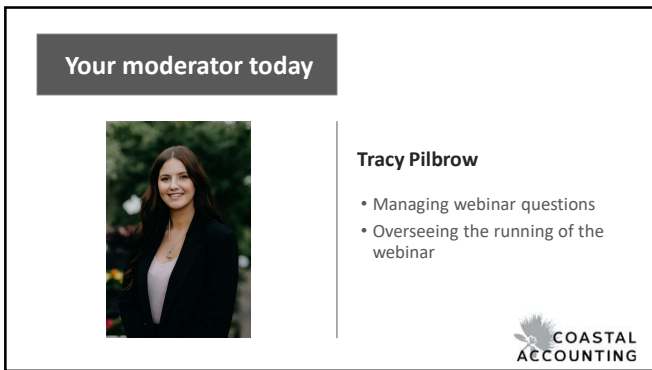
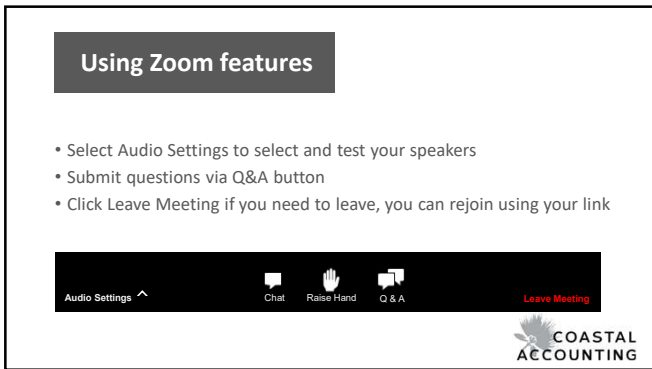




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Today's presenters




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Thought of the day

*"I've heard there's going to be a recession.
I've decided not to participate."*


- Walt Disney



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Agenda

1. The three freedoms in business.
2. The key risk categories.
3. Practical strategies to mitigate risk.
4. Building risk management into your strategy.
5. Next Steps.
6. Q & A.



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The importance of managing risk

We want to help you get more...

- Mind**
 - Sleep easier
 - Stress less at work and home
 - Peace of mind
- Time**
 - Have a life outside of work
 - Prioritise sport / hobbies
 - Be available for your family
- Financial**
 - Buy the pool / yacht
 - Travel more
 - Retire early

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The key risk categories - a useful framework

All businesses can categorise business activity according to these 10 departments.

ABOVE THE LINE = **STRATEGIC**

BELOW THE LINE = **OPERATIONAL**

Departments:
• Functions
• Roles
• KPIs

What departments are you leading / hats are you wearing?
... and which should you consider removing to free up your capacity to work on more important things?

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Practical strategies to mitigate risk

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Strategic Risks


- Failure to execute the Business Plan
- Inappropriate business structure
- Burnout management
- Litigation
- Patent protection
- Personal guarantees



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Leadership Risks

- Implementing Business Plan
- Managing bottlenecks and roadblocks
- Engaging team in the plan
- Managing and reporting KPIs
- Promoting team culture



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Product/Service Development Risks

- Inappropriate mix of products or services
- Unprofitable products / services
- Lack of market research
- Under/over-investment in new products / services
- Poor response to changing market conditions




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Operational Risks


- Operating inefficiently
- Fixed assets, lease agreements and infrastructure
- Competitors
- IP protection

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De-risking cashflow in operations

- Reduce your debtor days
- Review supplier terms
- Reduce your stock and work in progress
- Review your debt structure
- Revise your personal budget
- Create a new cashflow forecast



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Sales & marketing risks

- Poor return on marketing spend
- Low customer retention
- Dependency on key customers
- Low sales conversion rate
- Lack of sales team training



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Financial risks

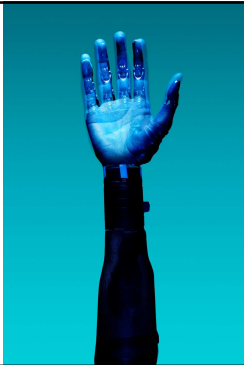
- Cashflow
- Insufficient funds to meet tax obligations / tax surprises
- Inflation / recession
- Debt and interest rates
- Currency fluctuations
- Fraud



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Admin & IT risks

- Privacy legislation
- Virus protection
- Cyber security
- Loss of records / data



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Human Resources risks

- Poor team attraction / retention
- Poor culture / team disengagement
- Poor management / performance / errors / wastage
- Employment disputes / litigation
- Health and safety



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The Risk Register - your #1 risk management tool

Risk Limited
Risk Register
Detailed Analysis

Risk Number	Risk Name	Date added to the register	Category	Risk Description	Analysis & Evaluation			Mitigation	Who we plan to mitigate the risk	Responsibility
					Impact	Frequency	Overall Risk			
1	Customer retention	16/06/2022	Operational	Current retention rate is fluctuating the sales teams and impacting the growth of the business.	4	5	20	Engage and foster achievement of customer service, regular NPS analysis and feedback to Product and Marketing Departments.	Senior Team	7491
2	Staff's health & wellbeing	16/06/2022	Operational	It can be stressful and impact on staff, this will impact our financial position and the health of our business. Staff are not engaged or motivated to do their best work for the company.	5	6	30	Regular review of the performance of all departments in the business by the Senior Team, Staff, Management, Senior Staff etc.	Senior Team	1310/2022
3	Marketing spend	16/06/2022	Operational	Marketing spend is a significant cost for the business. If not managed well, it can impact the bottom line. Other costs, such as advertising, can also be a drain on the business.	4	5	20	Cost/benefit analysis of marketing and other costs will review in place.	Senior Team	6191
4	Financial performance	16/06/2022	Operational	Failure to meet team targets or the business risk could affect the business.	4	6	24	Continue to engage business operations and other operational conditions to meet targets.	Senior Team	148
5	Operational efficiency	16/06/2022	Operational	Time to customer service is a key risk factor.	3	5	15	Reduce dependency through outside customer development.	Senior Team	1712
6	Staff of finance team	16/06/2022	Operational	Rate of change in the business, growth expectations and staff turnover are causing high workload and stress.	3	5	15	Staff focus on Q2 activities, time and dialogue in Q3.	Senior Team	1310

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Assessing risk

LIKELIHOOD		CONSEQUENCE					DRIVER	Low	High
		Insignificant	Low	Moderate	High	Significant			
		Almost certain	Likely	Moderate	Unlikely	Remote			
	Almost certain	5	10	15	20	25	Significant	21	25
	Likely	4	8	12	16	20	High	16	20
	Moderate	3	6	9	12	15	Moderate	11	15
	Unlikely	2	4	6	8	10	Low	6	10
	Remote	1	2	3	4	5	Insignificant	1	5

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Mitigating risk

NOW

Current Situation

- Lack of mind freedom (excessive stress)
- Unclear risk management plan
- Risk of surprises from unknown risks
- Constantly 'fighting fires'
- Conflict (owners/team/customers/suppliers)

WHERE

Future Situation

- Mind freedom (reduced stress)
- Clear risk management plan
- Risks identified and mitigated
- Processes to address risk early
- Reduced conflict & better alignment

HOW

Best practice

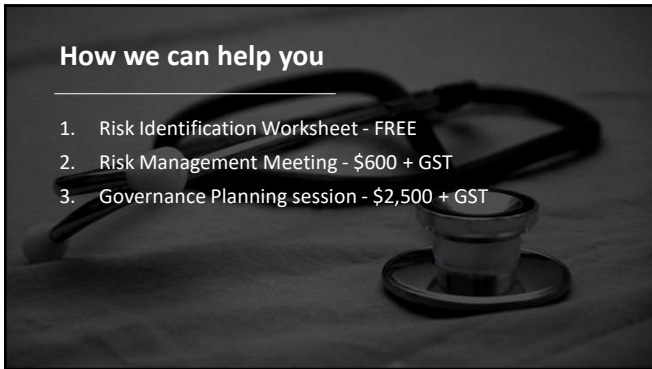
- Risk Identification worksheet
- Define ideal '10 hats' structure
- Develop your Risk Register
- Create & implement your plan
- Regularly review risks
- Get independent accountability

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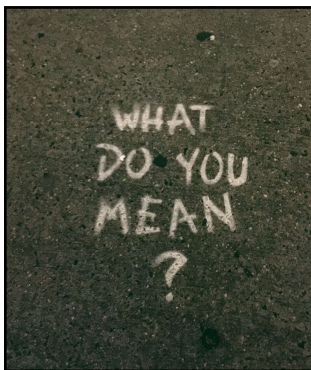
How we can help you

1. Risk Identification Worksheet - FREE
2. Risk Management Meeting - \$600 + GST
3. Governance Planning session - \$2,500 + GST



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Questions?

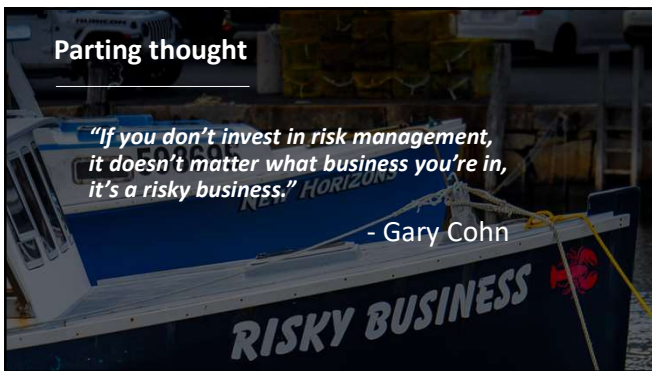


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Parting thought

"If you don't invest in risk management, it doesn't matter what business you're in, it's a risky business."

- Gary Cohn



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