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Companion file to the episode  
“How to approach risk  
& create a Risk management Plan”



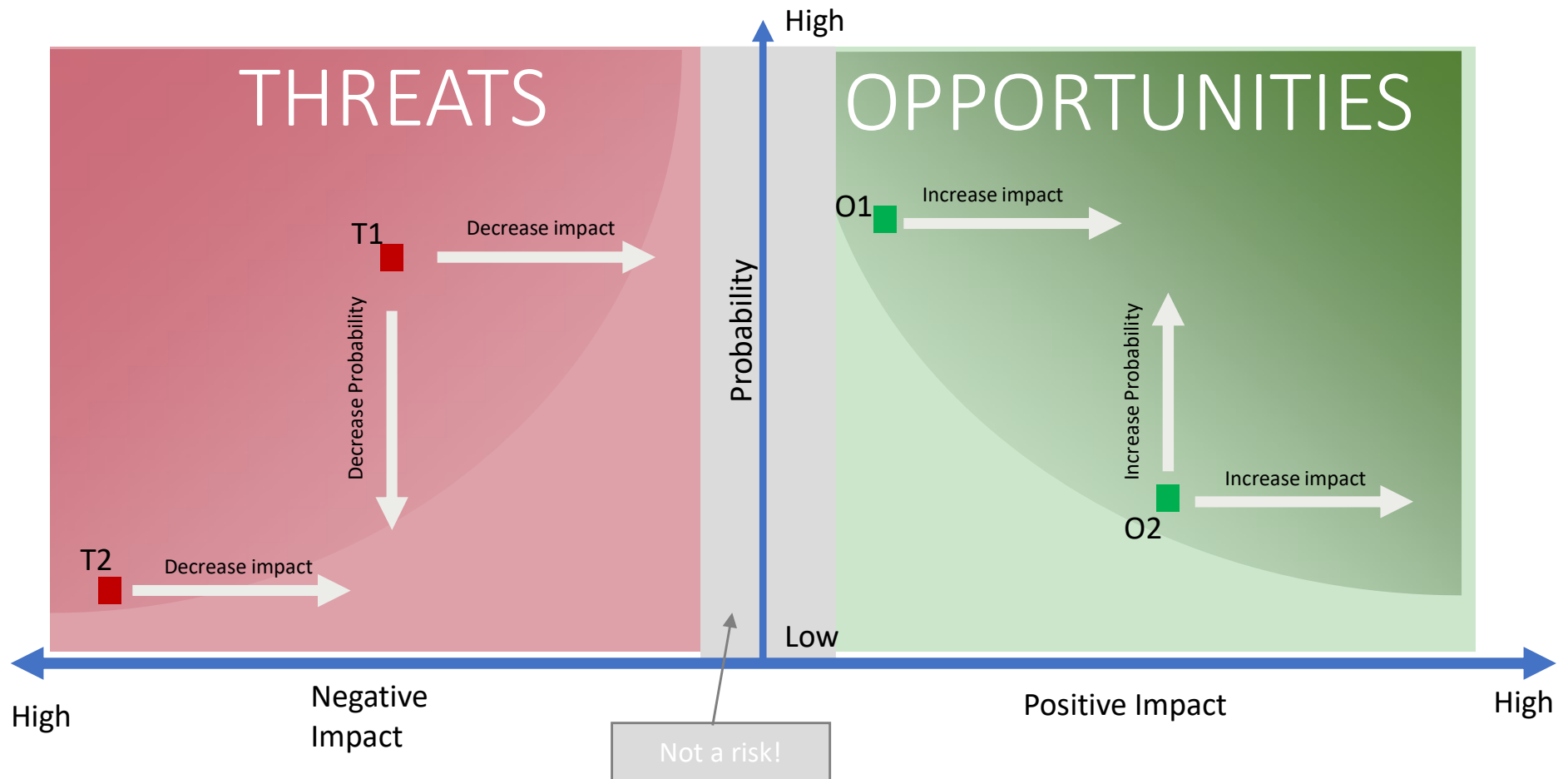
RISKS

Create a Risk Management Plan

# 6 Steps of the Risk Assessment Process



# Risk Assessment Graph





# Template

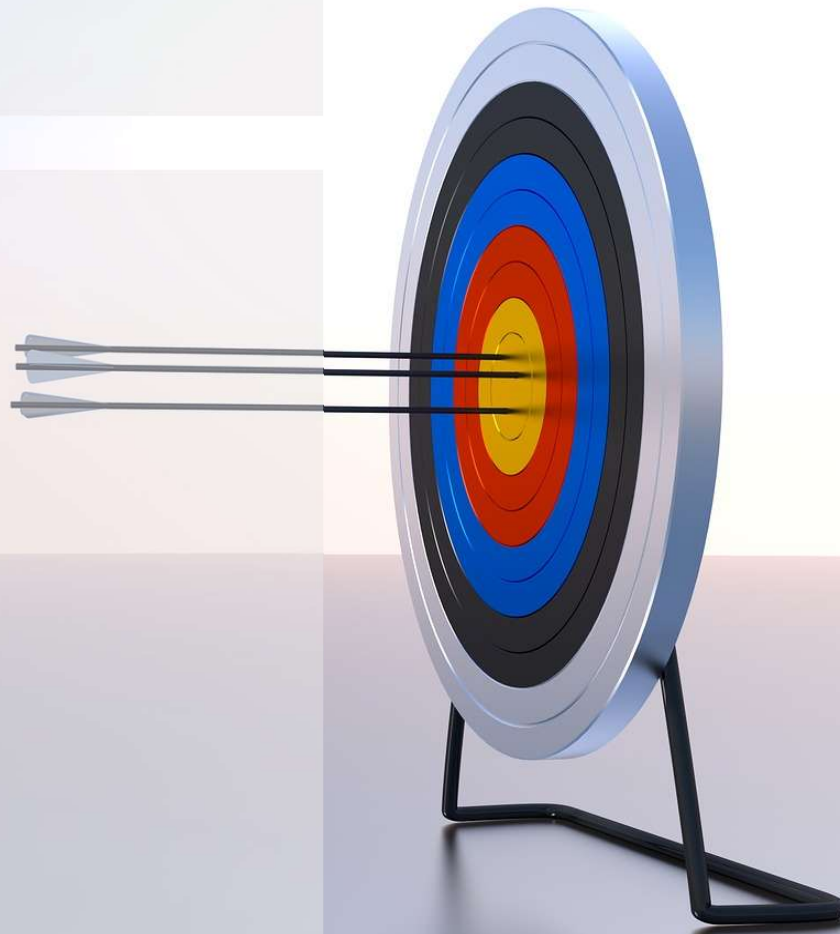
Create your Risk Management Plan

# STEP 1

## Write down your objective

Your Company:

Objective:



# Facts ≠ Risks ≠ Effects



= Facts / existing condition



= Uncertainty



= Possible result

Only consider risks!

# STEP 2

Write down your threats and opportunities

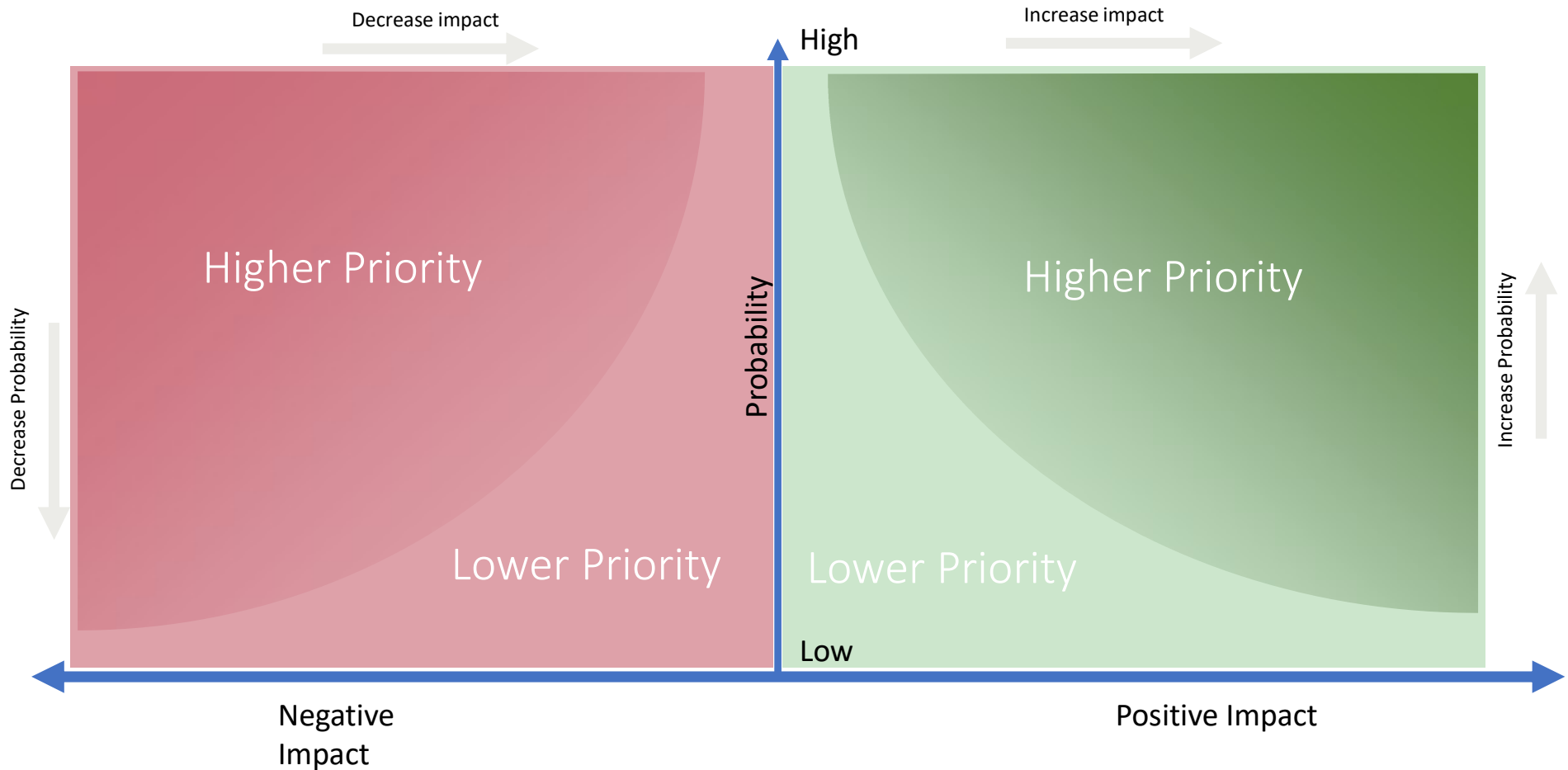


Code	Description	Probability (high/med/low)	Impact (high/med/low)	Priority (see STEP 3)	Actions (see STEP 4)
T1					
T2					
T3					
T4					
T5					
T6					
THREATS					

Code	Description	Probability (high/med/low)	Impact (high/med/low)	Priority (see STEP 3)	Action (see STEP 4)
O1					
O2					
O3					
O4					
O5					
O6					
OPPORTUNITIES					

# STEP 3

Plot your threats and opportunities on the Risk Assessment graph and prioritize your risks



To prioritize consider priority on the graph +

- Nature of the risk
- Manageability
- Resources available
- Cost-effectiveness



## STEP 4

# Create your Risk Management Plan



For each threat and opportunity, create a plan one of multiple management solutions

THREATS	ACTION	OPPORTUNITIES
<b>AVOID</b> Ex: don't go skydiving	Eliminate uncertainty = Eliminate risk	<b>EXPLOIT</b>
<b>TRANSFER</b> Ex: insurance Contract manufacturing	Allocate ownership Transfer or share the risk with someone else	<b>SHARE</b> Ex: partnership, joint venture
<b>REDUCE</b> Ex: sprinkler system Create procedure	Modify Exposure = Mitigation Lower severity and/or probability	<b>ENHANCE</b>
<b>ACCEPT</b>	Include in baseline & create contingency plan	<b>ACCEPT</b>