# Risk management seminar

Part 5

- Crisis matrix was designed by Klaus Winterling. The matrix is one of analytical techniques used in <u>risk management.</u>

- The matrix allows <u>risks</u> categorization by **two parameters**:

- **Probability of a risk occur at a given time** - how real and probable is that the risk will actually occurs - matrix defines three levels of probability
- low
- medium
- high

- **Risk effects on an SBU** - what what would be the impacts of the risk on an <u>organization or department</u> if the <u>risk</u> occurs - matrix defines three levels of effect
- negative,
- threatening
- destructive

Effects on an organization

	Negative	Threatening	Destructive
High			
Medium			
Low			

Probability of risk occur at a given time
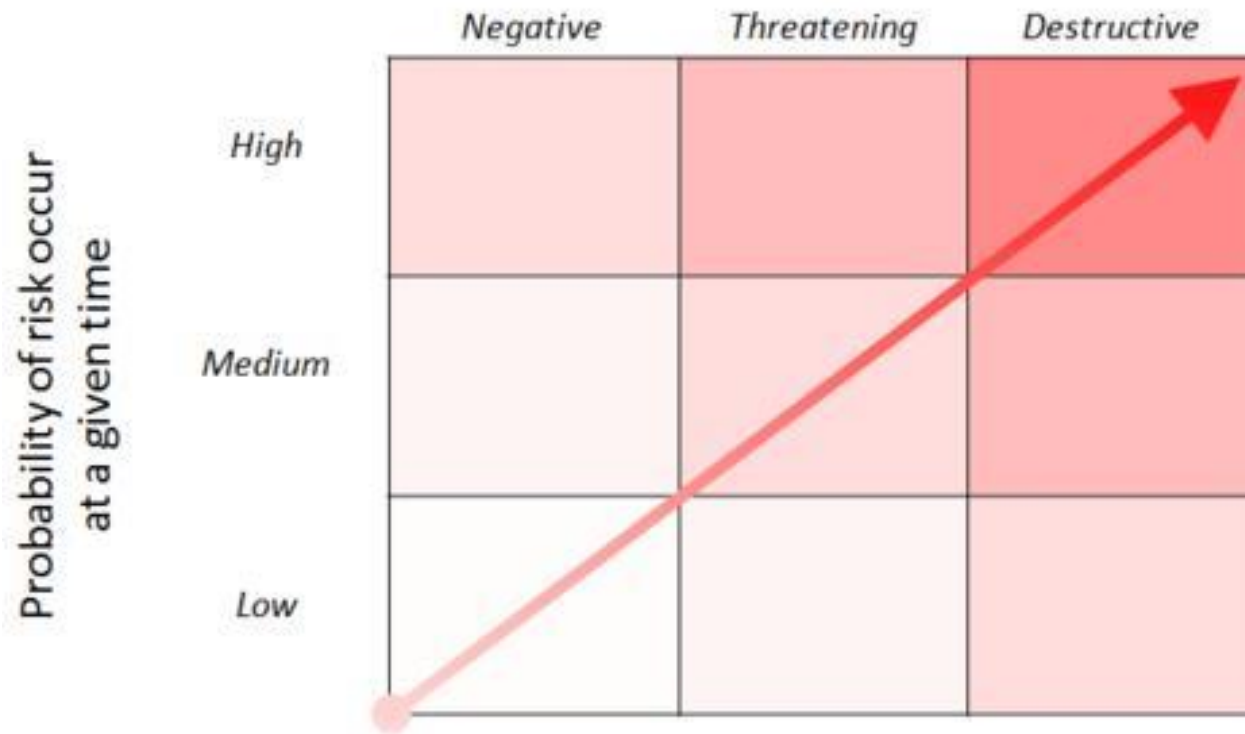
Risk Severity Matrix

Likelihood

Almost Certain (5)	Moderate	High	Extreme	Extreme	Extreme
Likely (4)	Moderate	Moderate	High	Extreme	Extreme
Possible (3)	Low	Moderate	Moderate	High	Extreme
Unlikely (2)	Low	Low	Moderate	High	High
Rare (1)	Low	Low	Low	Moderate	Moderate
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)

Consequence

SBU definition with using 7S Methods

SBU -   Euromedica s.r.o.

Strategy : corporate strategy for 2020 – 2023, integrated with financial strategy and HR strategy.

Structure :
Managing board, Supervisory board.
Direktor.
IT Servises.
Sales Department.
Ekonomics Department.
Logistik manager.

Systems :
 IT Systems – MS Office, MS SQL Server
Account system Money S7
Small company managed by direcktor and head off the departments.
Marketing system integrated in Money S7.
Logistik system integrated in Money S7.

Style: process oriented organization, with process maps and managed dokumentation.

Staff:
Managing board 3 persons.
Supervisory board 3 persons.
Direktor 1 person.
IT department 3 persons.
Logistik manager 1 person.
Sales department : 12 persons.
Economy department : 2 persons.

Skills:
Categorizing date.
Audit skills.
Process modeling.
Process analyzing.
Project management.
Lead auditor for ISO 9001, 14001, 18001, 20001, 27001.
Coordinating.
Risk management.

Shared values:
Strategic thinking.
Interviewing.
Diplomacy.
Advising.

Types of risks

Human factor :

Substance abuse
Stres sitaution
Certifikation

Information and technology risks:

Integrity of application systems
Incorrectly specified requirements for HW and SW and their evaluation
Unauthorized use of information, destruction, damage and its modification
Intentional interference with SW or HW

Operation risks:
Defective feedback system
Complexity of processes, operations

Organizational risk:

Ineffective methodological, control activities and supervision
Non-optimized circulation of documents, records, shredding of documents

Financial risk:

Manipulation of income and expenses
State guarantees, financial assistance

Risk factors	Efekt on an SBU	Propabilitty of risk	Severity of risks
Ineffective supervision	3	3	9
Non-optimized circulation of documents	2	1	2
Manipulation of income and expenses	3	3	9
State guarantees, financial assistance	3	2	6
Substance abuse	1	1	1
Stres sitaution	2	2	4
Certifikation	3	2	6
Integrity of application systems	3	3	9
Incorrectly specified requirements	3	1	3
Unauthorized use of information	2	1	2
Intentional interference with SW or HW	2	2	4
Defective feedback system	2	2	4
Duplicity of processes, operations	3	2	6

Thank you for your attention!