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1. Risk management and global risks
2. Amazon's supply chain (in brief)
3. Identification and evaluation of risks
4. Risk response strategies and action plans

Q&A

Identify the most severe risks on a global scale over the next 10 years *Source: World Economic Forum Global Risk Perception Survey, 2021-2022*



Scars of COVID-19

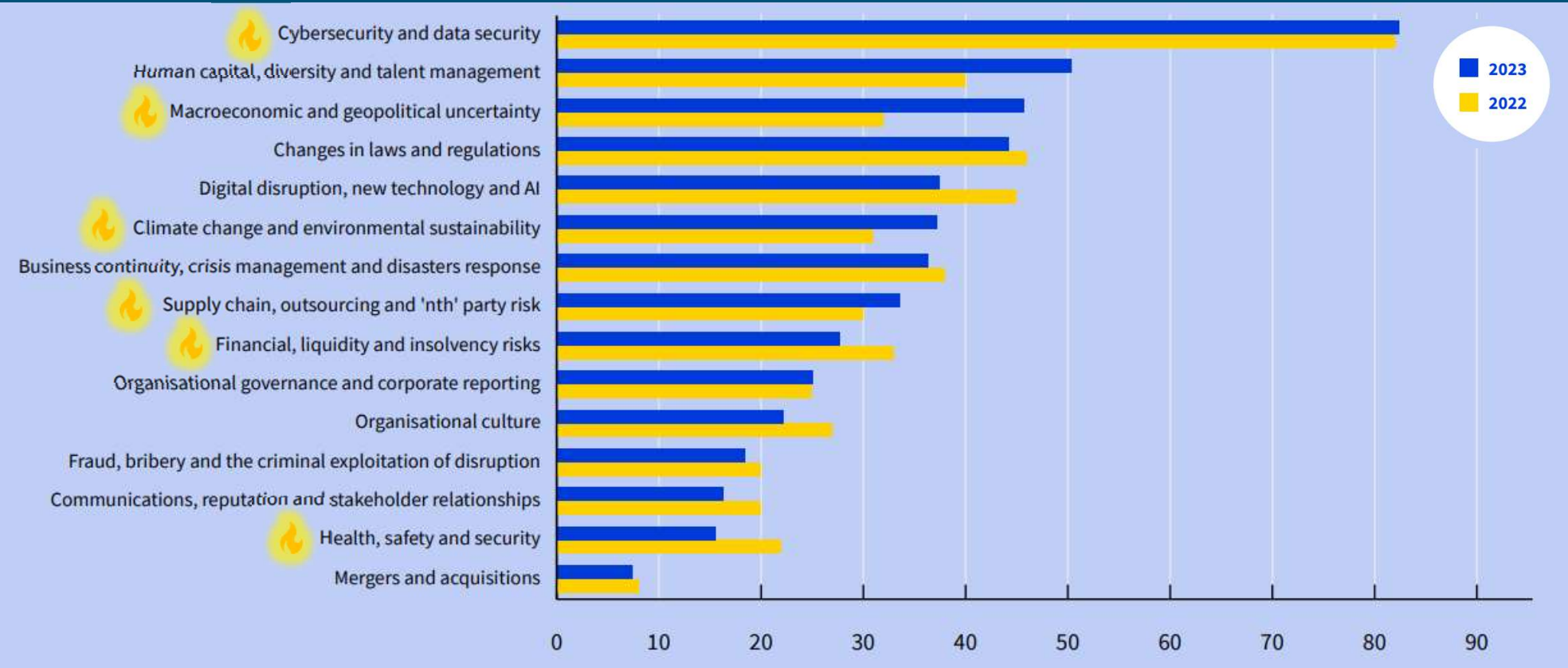
Looming debt crises

The planet cannot wait

Connectivity blind spots

Growing rivalries

What are the top five risks your organisation currently faces? *Source: ECCIA, Risks in focus 2023*



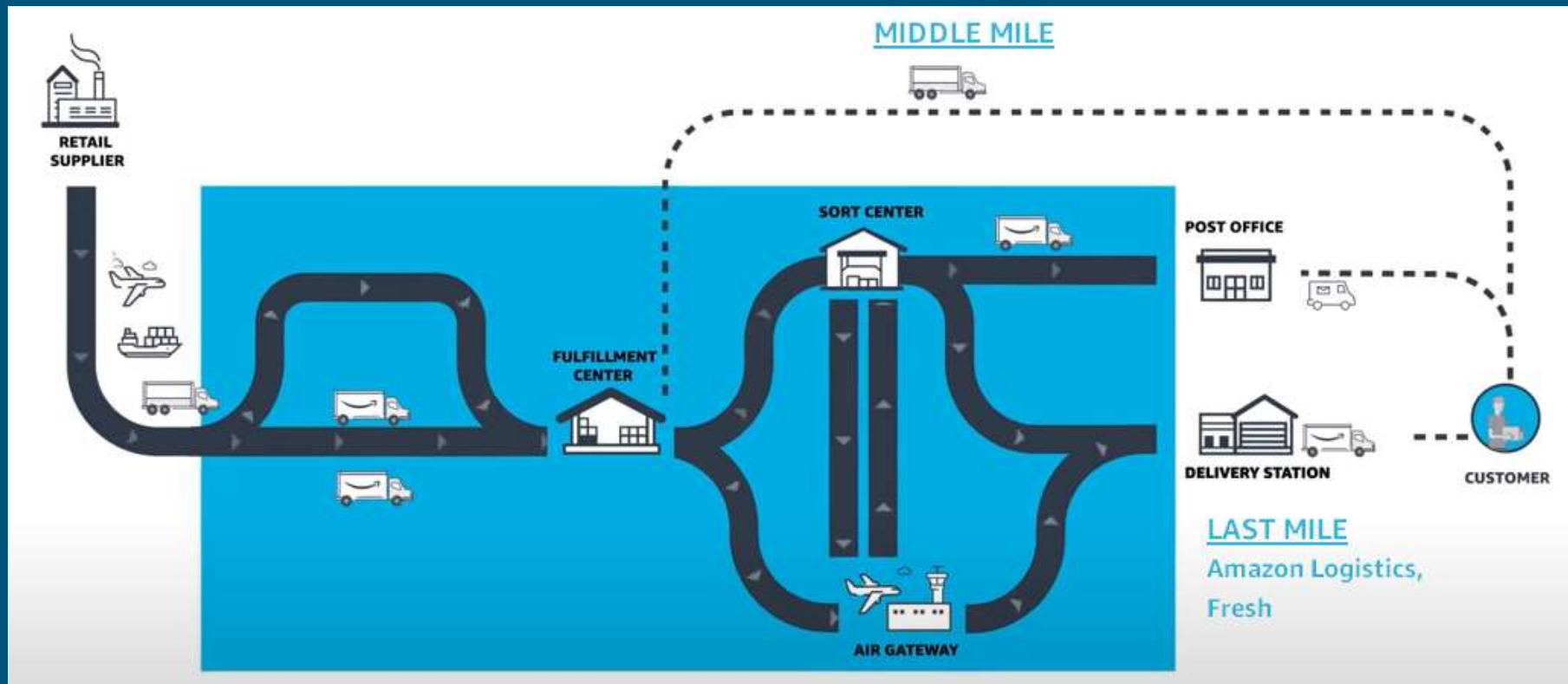
Other sources: European Supervisory Authorities, Autumn 2022 joint risk report OECD, Economic Outlook - Interim Report September 2022

Are we all doomed then?

“Surf on a tsunami wave”



Amazon's supply chain (in brief)



Risk is «the **POSSIBILITY** of an event occurring that will have an impact **ON ACHIEVEMENT OF OBJECTIVES**.
Risk is measured in terms of **IMPACT AND LIKELIHOOD**»

Ref: The IIA glossary



Risk Managment is «a process to **IDENTIFY, ASSESS, MANAGE, AND CONTROL POTENTIAL EVENTS** or situation to provide **REASONABLE ASSURANCE** regarding the achievement of the organization's objectives».

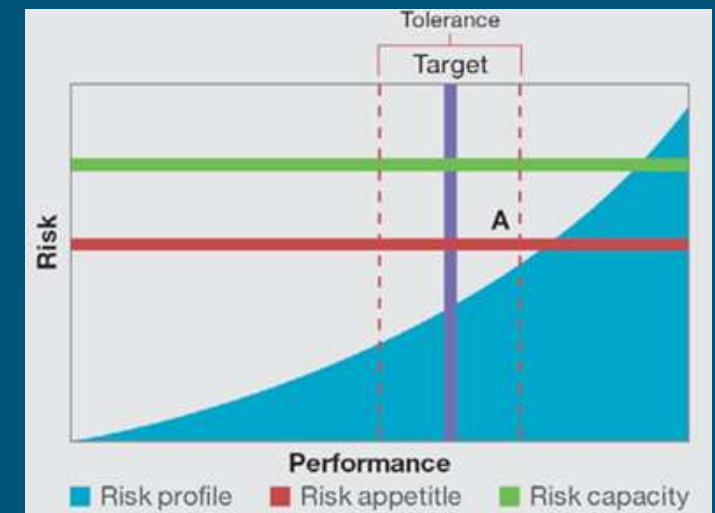
Ref: The IIA glossary

IDENTIFICATION: e.g. interviews, technical analysis, survey and questionnaires, data analytics, SWOT (Strength/Weaknesses – Opportunities/Threats), RCSA (Risk and Control Self-Assessments)

EVALUATION: Probability x Impact = **Risk Rating**



- **Risk «Appetite»:** mission, vision, strategy
- **Risk «Capacity»:** threshold of «absorbability» of risk
- **Risk «Tolerance»:** «windows» of flexibility



Risk Response Strategies - Threats



ESCALATE



Take to a higher power. Manage outside of the project

AVOID



Eliminate the root cause so it cannot occur

TRANSFER



Move to a group better handled to manage it. Use insurance.

MITIGATE



Take actions to reduce risk probability or impact.

ACCEPT



Agree to take no action, but create a contingency reserve.

Risk Response Strategies - Opportunities



ESCALATE




Take to a higher power. Manage outside of the project

EXPLOIT




Ensure the opportunity is realized. Assign best talent and prioritize work.

SHARE



Transfer to a 3rd party or spin up group to ensure value captured.

ENHANCE



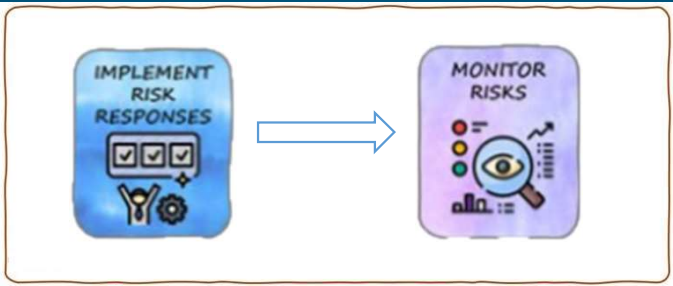
Increase probability or impact. E.G. Add resources to ensure.

ACCEPT



Agree to take no action, but promote and encourage.

Monitoring and follow up



Q&A

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