

RISK MANAGEMENT

Risk

- Potential for something to occur that will lead to an undesirable outcome
- Action vs. inaction
- Assessment
- Management

Risk Management

Assessment

- Threats/Hazards
 - What are they?
 - Human-caused vs. naturally-occurring
 - Probability of occurrence
 - Historical perspective

Risk Management

Assessment

- Assets
 - People
 - Physical Property
 - Intellectual Property
 - Environment
 - Operation (and other intangibles)

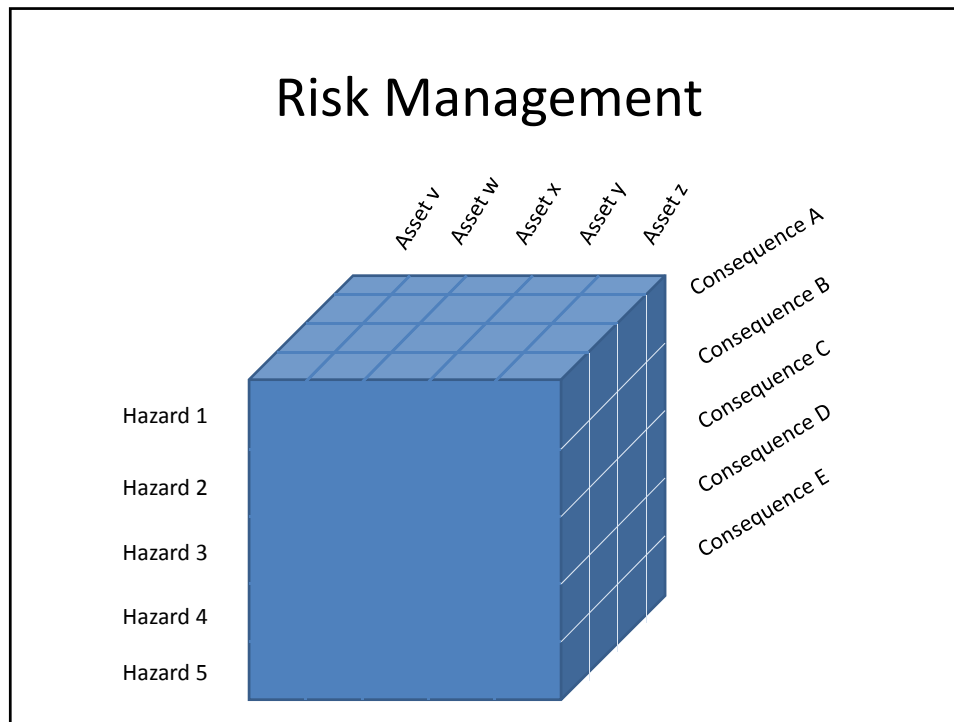
Risk Management

Assessment

- What are the consequences to the assets based on the threats/hazards?
 - Injury/illness/death
 - Financial
 - Reputational

Risk Management

	Consequence A	Consequence B	Consequence C	Consequence D	Consequence E
Hazard 1					
Hazard 2					
Hazard 3					
Hazard 4					
Hazard 5					



Risk Management

Assessment

- What are the vulnerabilities of the assets related to the threats/hazards?
 - Inexperienced workforce
 - Aging infrastructure
 - Lack of internal resources
 - External resources unavailable

Risk Management

Assessment

Risk = Threats x Consequences x Vulnerabilities

Risk Management

- Prevent
- Protect
- Mitigate

Threats/Hazards

Consequences

Vulnerabilities