

Business Risk Management & Our Resilience



What is Risk Management?

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- ▶ ... is a holistic management process that identifies potential impacts that threaten an organisation and provides a framework for building resilience and the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating activities.

What is Resilience?

- ▶ “at every relevant level (the ability) to detect, prevent and if necessary, to handle and recover from disruptive challenges”



Building Resilience

- ▶ Continuity is vital for everyone
- ▶ As a producer, we are reliant on a supply chain
- ▶ The unexpected will always happen, look at Brexit or the US elections
- ▶ We should adopt a best practice approach with risk management.
- ▶ Identify external and internal factors which could have an impact on continuity (see PESTLE)
- ▶ Undertake risk assessments in the areas perceived as being more likely rather than being very remote.
- ▶ Periodically check and audit these risk assessments to ensure that they are still appropriate

Why is it Important & Why should you take it on board?

Ask yourself this very simple question

- ▶ What would we do if one of our sites was damaged by fire?
- ▶ How would this affect customers with product deliveries?
- ▶ What would the financial implications be?
- ▶ What do we do with the employees affected?
- ▶ If an employee lost their life, what would the ramifications be with the Police, HSE, EA, Insurers, Customers, existing employee?
- ▶ These are just a handful of questions but actions are required and they have to be taken immediately. Would you know what to do in an emergency like this?

It can be avoided or reduced to a very low level removing this challenge.

What Could Disrupt our Operations?

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- ▶ Adverse environmental conditions
- ▶ Any form of unwanted disruption
- ▶ Loss of utilities (short/medium/long term)
- ▶ Key equipment/machinery failure
- ▶ Cyber security attacks
- ▶ Emergency situations
- ▶ Non business activity disturbances
- ▶ Sudden emergencies



The Current Position

Every area has its weakness

People and infrastructure is CRITICAL!

Suppliers and Customers are a risk as we don't know their positions or the threats that they may be facing and how they have reduced them

It may never happen to us, are you sure?

50% of businesses that were affected by an unforeseen incident, took more than 2 months to recover. Can we afford to take that risk? No.

In effect, risk management is business essential

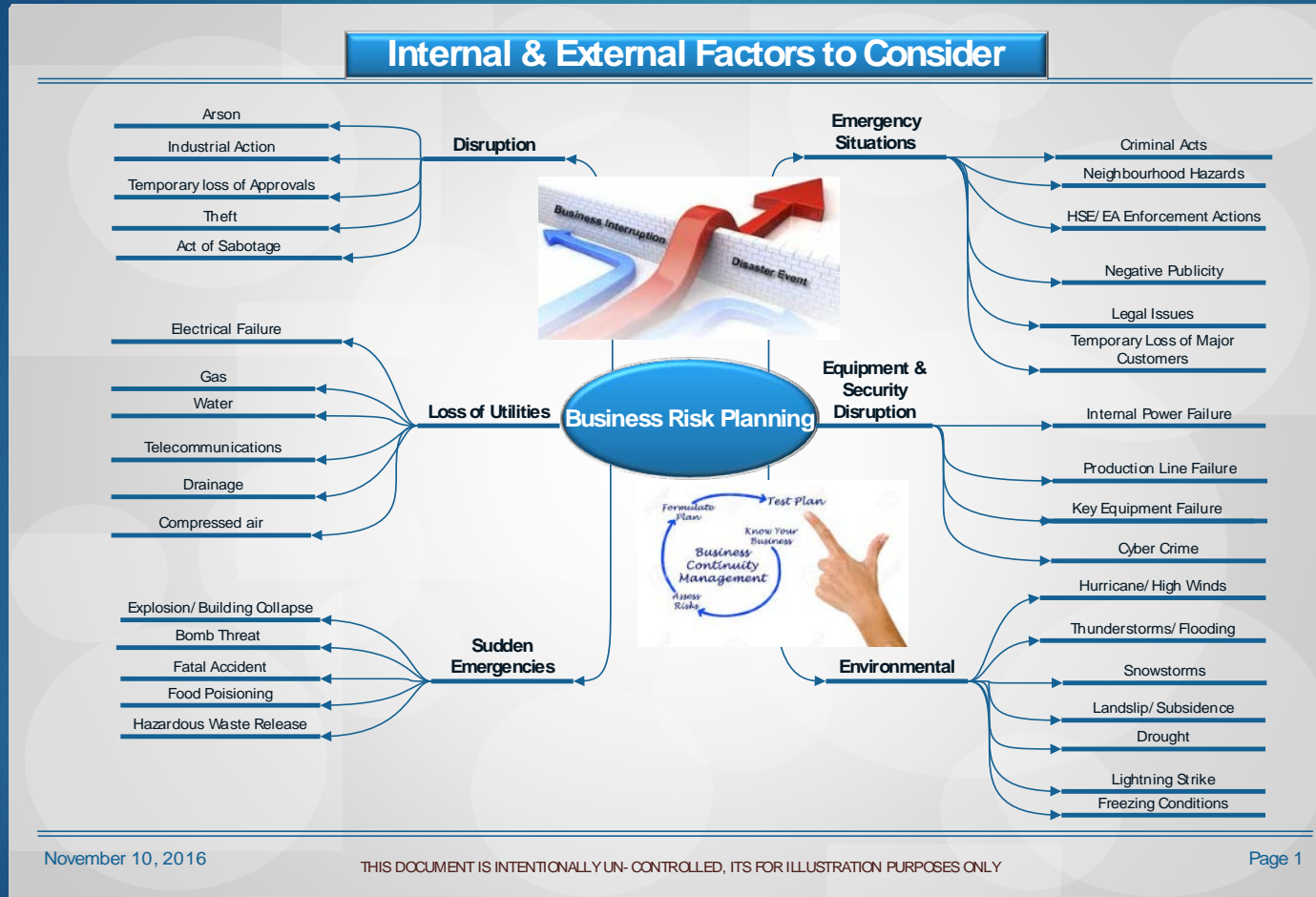
Its not just an IT issue

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Examples of what could affect us!

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What Helps us Manage Risk Better?

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Programme - a complete Strategy

People - roles & responsibilities

Processes - all organisational processes

Premises - buildings & facilities

Providers - supply chain inc. outsourcing

Profile - brand, image and reputation

Performance - benchmarking, evaluation & audit

Ohh ... and a learning culture!

Summary

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- ▶ Current trends are to adopt an holistic approach towards managing risk as is evident in the new 14001, 9001, 45001 & 9100 standards
- ▶ This is an end to end approach looking at the effects and the causes
- ▶ It's a clear way to demonstrate to our stakeholders that we are prepared, but more importantly are able to manage any incident
- ▶ The cost of not doing it far exceeds the cost of prevention
- ▶ Prevention rather than cure or first aid is the approach to take
- ▶ We need to measure and monitor these identified risks so we are more aware

REACTION TO AN EVENT IS TOO LATE