

Risk Management Services for Enterprises

The Stakeholders are keen to see Risk Management instituted & reported upon at least on quarterly basis. & Risk Management now figures prominently in ISO certification as well.

Each type of business has a risk exposure, which needs conscious management. For example, a small error at bid stage for a large project could lead to bankruptcy for an EPC company Hence, an analysis of the risks & the likelihood impact, mitigations etc. is required periodically.

Knowledge Gateways offers services for organisations to set up a Risk Management Framework & methodology to record, assess likelihood /quantify impacts & mitigate /manage all risk exposures, consciously

There will also be Industry/Business specific risks to consider. However, some examples of generic risks for a business in Oman are enumerated below

1) Economy / Market / Future Business & Demand shift /Disruption due to technology

Description: The low Oil Prices results in lower spend & liquidity affecting payment cycles & .New technologies fulfill same client demand better at lower prices

2) Regulatory / Compliance with all Regulations –Labour Law / CMA / VAT

Description: The company needs to be aware of & ensure compliance of ALL Laws /Statutes especially Commercial law, Income Tax (incl withholding tax) Labour Law, CMA regulations, Forthcoming VAT & other changes, Noncompliance can result in penal provisions being applied & credibility loss

3) Labor Clearances

Description: It is increasingly difficult to get Labour clearances. Category wise omanisation & unclear rules etc result in non-availability of clearances affecting mobilization which then attracts penalty or high alternative market hire costs

4) HR /Employee continuity /Succession & Labour Strikes

Description: Critical positions require familiarity with background & knowledge base, client etc Current circumstances may result in employee separation leaving gaps that have negative implications

5) Supplier / Subcontractor / Vendor behavior / defaults

Description: The company is reliant on many suppliers of goods & services & subcontractors. Unwillingness or Inability to continue to provide this due to Company or external reasons can affect Project execution

6) Client Quotations / Bids

An inaccurate quotation /Bid errors have the potential to even result in bankruptcy

7) Currency exposures

Description: The company purchases material in other currencies like Euro & UK pounds etc. which are not pegged with Usd. This gives rise to an exposure.

In many cases the contracts are priced in Usd & inflows are in Usd, while the costs are in RO, Any revaluation can reduce the converted RO Inflows

8) Image /Reputation

In the social media age, improper representation can severely affect clientele & business continuity, CSR & retaining & building reputation is continuous effort

9) Natural Disasters

Description: Earthquakes, Floods & other disasters could affect the Projects & continuity of operations . The company can have insurances for Property risks and can also have IT servers away from office in oman with a backup facility to restore the IT operations /data when needed.

& So On ..

Sample tools for Risk management

RISK ASSESMENT AND MONITORING TOOLS

INITIAL RISK RATING MATRIX

		Initial Risk Rating(IRR)						
LIKELIHOOD	H+	1	-	-	2	1	-	2
	H	-	1	-	2	-	2	2
	M+	1	2	1	2	1	3	-
	M	-	-	-	1	-	3	1
	M-	-	-	-	1	1	1	1
	L	-	1	-	-	-	-	-
	L-	-	-	-	-	-	-	-
		L-	L	M-	M	M+	H	H+
		IMPACT						

C.1.1 Risk Matrix

Initial Risk Rating Chart					
RATING	CRITERIA				
	Likelihood	Reputation Impact	People Impact	Cost Impact in OMR	Time Impact
High	Client Likelihood	Client Impact	Minor Closure	>5k	>Two days critical

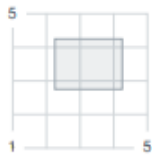
Global risks scenario to consider

FIGURE 11 Global Risks Landscape

How do respondents perceive the impact ↑ and likelihood → of global risks?



Visible area



Risk categories

- ◆ Economic
- ◆ Environmental
- ◆ Geopolitical
- ◆ Societal
- ◆ Technological

Top Risks

by likelihood

- 1 Extreme weather
- 2 Climate action failure
- 3 Human environmental damage
- 4 Infectious diseases
- 5 Biodiversity loss
- 6 Digital power concentration
- 7 Digital inequality
- 8 Interstate relations fracture
- 9 Cybersecurity failure
- 10 Livelihood crises

Top Risks

by impact

- 1 Infectious diseases
- 2 Climate action failure
- 3 Weapons of mass destruction
- 4 Biodiversity loss
- 5 Natural resource crises
- 6 Human environmental damage
- 7 Livelihood crises
- 8 Extreme weather
- 9 Debt crises
- 10 IT infrastructure breakdown

Methodology

Survey respondents were asked to assess the likelihood of the individual global risk on a scale of 1 to 5, 1 representing a risk that is very unlikely and 5 a risk that is very likely to occur over the course of the next ten years. They also assessed the impact of each global risk on a scale of 1 to 5, 1 representing a minimal impact and 5 a catastrophic impact. To ensure legibility, the names of the global risks are abbreviated.

Source: World Economic Forum Global Risks Perception Survey 2020

Abbas Muljiani profile for –Business Consulting -Enterprise Risk Management

Qualifications – MBA Finance & CFA

Experience – Initiated & developed & maintained a complete Risk Management Framework
Handled all restructuring activities for 4 years as the company had lenders mandate to restructure
Companywide cross-functional experience 28 years & many years in managing Business risk mitigation & improvement Initiatives.

Skills- Self-starting & independent ability to speedily Process new information, detect value opportunities, articulate complex issues, prioritize & obtain consensus of Teams aligned to stated vision, And upon agreement pursue actions for implementation.

Insight into **Risk Management** interplayed with Opportunities.

Good Understanding of issues between **Risk & Return with Business** orientation

Full awareness of Oman & GCC challenges for business, with deep knowledge of Oil & Gas construction & other industries .Understanding of Omanisation , Environment VAT ,Insurance conditions for insurable risks etc

Team player but with ability for initiating, leading and **balancing challenge & support** in win-win methodology.

Understanding of digitization use cases process mapping, structured business information & metrics

Knowledge of **Oman** & available in muscat to work immediately with no encumbrances.

An opportunity of a short dialogue with decision makers is requested

Call Abbas at 95334914 or email us abbas@knowledgegateways.com