



BUSINESS RISK ANALYSIS



What is risk in business?

Risk can be viewed as any potential event or circumstance that has a negative impact on your company. This could be a cancelled event and loss of income, closures due to bushfire or flood, you lose your work laptop, or machinery breaks down.



Why do you need to assess risk in your business?

Assessing risk around your business allows you to be fully aware of the potential issues. This process allows you to establish processes to alleviate the risk and manage them before they arise.



How to use the risk matrix:

1. Identify all of your potential business risks.
2. Using the risk analysis matrix, assess how likely they could occur versus the impact they could have to your business.
3. Once you have established where they sit in the matrix, start with your extreme risks. Write a process on how to manage the risk. You may **reduce** (put actions into play so you can change the outcome, i.e train staff in the procedure), **avoid** (purchasing equipment to do the job), **transfer** (use a contractor) or **accept** (leave it as is, it might be your only option).
4. Regularly review your risks to see if there is any process you can change and make better.