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**Step by Step Risk Management Plan**

**Step 1: Identify Risk**

* *Key Areas to Assess:*
  + Supply Chain Disruptions (e.g., tariffs, raw material shortages)
  + Financial Risks (e.g., rising costs, currency fluctuations)
  + Operational Risks (e.g., machine failures, labor shortages)
  + Regulatory Compliance (e.g., safety regulations, environmental laws)

**Step 2: Assess Risk Impact & Probability**

* *Use a Risk Assessment Matrix to categorize risks:*
  + High Risk (Critical Disruptions) – Machine breakdown, key supplier failure
  + Medium Risk (Manageable but Costly) – Material price fluctuations
  + Low Risk (Minimal Impact) – Minor regulatory changes

**Step 3: Develop Mitigation Strategies**

* *Create proactive solutions to minimize the impact of identified risks*
  + Diversify Suppliers: Avoid reliance on a single source. (we talked about this)
  + Invest in Preventative Maintenance: Reduce unexpected downtime.
  + Build an Emergency Fund: Prepare for financial uncertainties.
  + Automate Compliance Tracking: Ensure regulatory adherence.

**Step 4: Implement & Monitor the Risk Management Plan**

* *Execute the plan and track risk factors regularly*
  + Assign Risk Owners to monitor specific risks.
  + Schedule Quarterly Risk Reviews to update strategies.
  + Use KPIs (Key Performance Indicators) to measure success (e.g., downtime reduction, cost savings).

**Step 5: Continuously Improve & Update the Plan**

* *Adapt to new risks and refine the plan regularly*
  + Review the risk plan annually or after major disruptions.
  + Stay updated on industry trends and regulations.
  + Gather feedback from employees on emerging risks.

**Take back to work questions:**

* + What are the top 3 risks affecting your business?
  + Who tracks and reports potential risk back to you?

**For more information or resources, contact:**

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