

Risk management plan



Identify risk management, analysis, and accept or mitigation of uncertainty in the investment decision process. The actual risk management analysis of an investor or fund manager at any time and effort to the potential amount of loss in investment and then take appropriate action (or not) happen is your investment objective and risk tolerance(Risk Management, n. d).

High-level requirements for our business:

- A better location for a Business
- Higher educated and experienced staff
- Suppliers
- A good target market
- License and permission from Government
- Market plan
- Projectors

High-level project Descriptions: Project description is a most important part of our business as this describes us where our position is set in the market, our clothing store is in the heart of the city. While entering a new business we need to think about the market of it that it is going to run in the future or not. And our main purpose is to attract more and more customers by providing them a good service. Moreover, we also compare this business from other but we find the most attractive business in this market and our main focus is to make the customer happy.

High-level Risk for our business:

- Changes in the clothing trends
- Natural Disasters

- Theft
- New entrance of business
- Health and safety issues

Risks to the Business :

1. Financial Risk: Financial is that when the business mismanage the money, in that way finance company have huge financial risk. if we order on high level of stock but we need on average level and we check the exchange rate and the exchange rate was Rs. 46. 75 (according to the India) but when we have to pay then it reach on Rs. 44. 57 and we book a parcel after that we have to facing a financial risk.
2. Stock Risk: Stock risk could be a huge risk if the delivery of stock is not coming on time or the quality of product is not up to date.
3. Health and safety Risk: Health and safety would be the major risk. While doing the work we should pay proper attention towards the safety of our employees.
4. Government Policies: Changes in the law is very big risk because if the government change and they apply the new policies for the business which is not suitable for our business like if they are make the hard rules to import the clothes from other countries and increase the tax.
5. Staff Risk: if we hire the new staff then it also big risk for business because they do not have enough experience about business which is decrease the customer satisfaction and business will be go in loss.
6. Fire Risk: In the situation of fire the stock can be fired and it can also be harmful for the internal area of store.

7. Foreign Exchange: While importing the stock if the currency rate of another country has increased then we need to pay more for our ordered stock.
8. Skills Shortage: Lack of knowledge can be a major risk because if we don't know about customer demand then how we can provide the good customer satisfaction so it's also problem for business.
9. Management risk: Lose due to inexpert management

Risk Analysis:

Risks	Probabilit y	Impac t
Financial Risk	5%	4%
Stock Risk	4%	5%
Environmental Risk	6%	5%
Health and Safety Risk	4%	5%
Government Policies	6%	5%
Staff Risk	4%	5%
Fire Risk	6%	5%

Foreign Exchange 5% 6%

Skills Shortage 4% 3%

Management Risk 5% 4%

Method of risk Identification

Risks Solutions

Financial Risk We can do the extra savings and taking some loan from bank which is our business and we should have a business insurance. in case our business crossing the dead line then insurance will claim.

Stock Risk We also contact with temporary suppliers if anytime our main suppliers available to send the order then we take help from the temporary suppliers and reduce our business risk.

Environmental Risk In the bad weather conditions we can check the weather forecast and the stock taking routines

Health and Safety Risk We must provide the good training and the proper facilities to our employees.

Government Policies We should keep ourselves update regarding the rules and regulations of government.

Staff Risk While hiring the staff we held the interview with employee, in which we check they got experience which is related with our store.

Fire Risk To keep the fire extinguishers we can control fire and on the safest side will also provide the information about electricity points to every member because mainly this thing happens from the short circuits.

Foreign Exchange In our business we import the clothes from India in which if the New Zealand economy go down then we have to pay more money for import the clothes so we will take some extra stock in the shop for reduce this risk.

Skills Shortage We must have the proper skills to overcome the risks. As we have a proper knowledge about new trends which are more customer demand and more towards our store.

Management Risk We must have the proper accountant for our business finance, who can enhance our store with skills like proper information about the stock, customer demands and duties of the employees and proper handle the customer with timeframe.

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