

A study of business risk management business essay

[Business](#)



The research attempts to identify the business risk management practices of Paul Panders in Penang. For this purpose, it tries to evaluate the awareness of the Paul Panders owner and managers about the business risk management and find out the ways to help them to archive a more predictable and growth over long term. Furthermore, the study also examines the relationship between these practices and business success of the Paul Panders in Penang. Besides that, it also aims at examining the differences in selected business risk management practices of Paul Panders in Penang, with the demographic. Through the extensive review of conceptual framework, the researcher has identified five categories of business risk management practices for this study, namely: management of operation risk, management of market risk, management of credit risk, management of cultural risk and management of economical and poetical risks. The population of this study was limited to the SMEs located in Penang. A questionnaire with 47 items was developed to collect data from the targeted respondents. The questionnaire was self-administrated over a period of two weeks and 70 usable questionnaires collected back for analysis. Several analysis methods were employed through the deployment of Statistical Package for Social Science (SPSS). Cronbach's Alpha was used to establish the inter-item consistency in this research. The means scores were used to assess the adoption level of business risk management practices among the Company. The One-way Anova test was conducted to find out the various categories of business risk practices and the business success. The result revealed that the model used in this study was reliable, whereas the variable was positively correlated to one another. The mean

scores confirmed that Paul Panders in Penang only adopted "moderate" level of selected business risk management practices. The regression analysis revealed that practices in management of credit risk possess significant positive relationship with the business success of Paul Panders in Penang. The finding provided better understanding of the uniqueness of business risk management practices in the Penang-based. It is important for the owner practitioners to implement the business risk management in their business. Meanwhile, it also helps to increase their potential to complete in the global market. TABLE OF CONTENTS Contents Page

Acknowledgementi

Abstractii

Table of Contentsiv

List of Tableviii

List of Figuresix

Chapter 1INTRODUCTION

1. 1Introduction 11. 2The Research Problem31. 3Objectives of the Study31. 4Scope of the Study41. 5Significance of the Study41. 6Definition of Terms1. 6. 1 Definition of Small and Medium-sized Enterprise (SMEs)51. 6. 2 Definition of Business Risk Management61. 6. 3 Benchmarking61. 6. 4 Internal Audit61. 7 Summary and Organizing of Remaining Chapters7

Chapter 2LITETATURE REVIEW

2. 1Introduction (History of the Company)2. 1. 1Definition of SMEs82. 1. 2Small and Medium-sized Enterprise (SMEs) in Malaysia92. 2SMEs Development in Malaysia112. 3Definition of Risk122. 3. 1Definition of Risk
<https://assignbuster.com/a-study-of-business-risk-management-business-essay/>

Management14
 TABLE OF CONTENTS
 Contents Page
 2. 4 Factor of Business Risk Management
 2. 4. 1 Operation Risk14
 2. 4. 2 Market Risk16
 2. 4. 3 Credit Risk18
 2. 4. 4 Culture Risk18
 2. 4. 5 Economical and Political Risk18
 5 Objective of risk Management
 2. 5. 1 Preloss Objective19
 2. 5. 2 Postloss Objective19
 2. 6 Weakness of SMEs20
 2. 7 Research on SMEs in Malaysia 24
 2. 8 Business Risk Management and SMEs 24
 2. 9 The Risk Management Process
 2. 9. 1 Identifying Potential Loss 26
 2. 9. 2 Evaluating Potential Loss 27
 2. 9. 3 Select the Appropriate Technique 28
 2. 9. 4 Implementing and Administrative the Risk Management Program 30

Chapter 3 THEORETICAL FRAMEWORK AND RESEARCH METHODOLOGY

3. 1 Theoretical Framework34
 3. 2 Research Approach35
 3. 3 Research Subject36
 3. 4 Questionnaires37
 TABLE OF CONTENTS
 Contents Page
 3. 5 Administration of the Questionnaires 38
 3. 6 Data Analysis Method 39
 3. 7 Summary40
 Chapter 4 PRESENTATION AND ANALYSIS OF FINDINGS
 4. 1 Introduction41
 4. 2 Data Presentation41
 4. 3 Reliability Analysis43
 4. 4 Analysis of Business Risk Management Level 44
 4. 5 Relationship between Business Risk Management and Business Success for SMEs46
 4. 6 The Relationship between Years in Business and Business Risk Management48
 4. 7 The Relationship between Number of Employees in SMEs and Business Risk Management50
 4. 8 The Relationship between Type of the Ownership and Business Risk Management51
 4. 9 Summary53

Chapter 5 RECOMMENDATION AND CONCLUSION

5. 1Recapitulation 545. 2Implications of the Findings 555.

3Recommendations 565. 4Limitations of the Study 58

TABLE OF CONTENTS Contents Page 5. 6Suggestion for Future Research 585.

6Conclusion 59

BIBLIOGRAPHY 61

APPENDICES

Appendix A: Questionnaire Appendix B: Survey Result and Analysis

LIST OF TABLES

Page Table 2. 1Definition of SMEs by size 11 Table 3. 1Sources of the Survey

Question 37 Table 4. 1Summary of the Survey 42 Table 4. 2Result of the

Reliability Analysis 44 Table 4. 3The Adoption Level of Risk Management

45 Table 4. 4Result of Regression Analysis 46

LIST OF FIGURES

Page

Figure 2. 1 The Risk Management Process 25 Figure 2. 2 Appropriate Risk

Management Technique 31 Figure 3. 1 Theoretical Framework 34

INTRODUCTION

Introduction

In today business world, all organizations operate their business in dynamic

and challenging environments. Every organization is realized that they

should minimize their business risks in order to maximum the primary

business objective to give good return to their shareholder and properly

<https://assignbuster.com/a-study-of-business-risk-management-business-essay/>

custody assets of their organization, internal audit and other assurance functions and to compliance the requirement of Corporate Governance within their organization to review and take appropriated action to reduce their business risk. The most forward-looking organization has recognized the need to develop a formal and comprehensive business risk management programme. The ability to manage significant risks effectively is an increasingly critical success factor for all organization, irrespective of the sector they represent. Badly informed or poorly executed risk management, on the other hand, can easily spell disaster. Any organization that has encountered unwelcome surprise or unexpected events should realize the most were preventable. Such events will almost certainly have been caused by risks that were not fully understood or the process to mitigate those events being inadequate. The key is to recognize that risk is not something that should be avoided – a risk is often an opportunity in disguise. For a large organization with status of multi-national corporations, government link-companies or company listing in established stock exchange board (e. g. Bursa Malaysia, Dow Jones of New York Stock Exchange), established an efficiency internal control function (e. g. audit committee, internal audit and other assurance unit) is not big budget for them. But small and medium enterprise (SMEs) is unable to set up the said assurance in department to carry out risk management. However, business risk still emergence in their business operation. The main issue is how well the management of SMEs awareness and taken appropriate precaution action to reduce their business risk. Because of the environmental changes, the Malaysia SMEs are facing multi-national risk in this era of globalization, locally and internationally. For

instance, the Malaysia Small and Medium Industry Development Corporation (SMIDEC) highlighted that SMEs are facing the challenges of intensive global competition where international trade become more accessible in many countries. Unfortunately, most of the SMEs in Malaysia are not prepared with appropriate risk management tools will lead to losses and over trading.

1. 1. 1History of the Paul Panders

For over 40 years, the name " Paul Panders" has been synonymous with natural cosmetics. Going back as far as 1900, Paul's grandmother, grandfather and parents have all run successful salons in The Netherlands. Paul's creativity was challenged from the very beginning to go beyond chemical-based beauty products. Dutch herbal master and apothecary Herman Eeftink and famous natural healer Dr. Abs Stein encouraged Paul to incorporate a unique family-devised herbal extract into his productsa 100-year old traditional formulation of the Penders family. This unique herbal extract combining 22 Eastern and Western certified organic herbs work to restore balance and vitality to your skin and hair similar to ancient Ayurveda practices where herbs are used to balance body, mind and spirit. Paul Penders skincare is developed and researched by our professional R&D team and made in small batches. They are cold-blended, ensuring their bioactive ingredients maintain their full strength, giving you optimally effective products (cold-blending is a system we pioneered). Plus their natural makeup range contains only certified organic pigments. All Paul Penders products are guaranteed free from harmful chemical foam boosters, emulsifiers, perfumes and preservatives with an extensive ingredient list which meets the strictest EU and US ingredient listing regulations. Good skincare does not pollute the

<https://assignbuster.com/a-study-of-business-risk-management-business-essay/>

environment and never tests on innocent animals. Our founder Paul Penders has been against testing cosmetics on animals from the very start. Paul Penders skin care solutions combine the purest ingredients from Mother Nature to restore balance, health and vitality to your skin. Each skin care solution contains their LevensESSENTIE Gold®, an extract of 22 herbs from the East and West, a traditional recipe passed down from Paul's grandmother. Paul Penders skin care solutions are cold-processed in small batches to preserve the active properties of carefully selected herbal ingredients. They value trading relationships that promote fair compensation, safe and healthy working conditions and long-term relationships including transparent business practices. Workplaces must be free from discrimination in race, religion and politics. They believe that people have a right to participate in decisions that affect their lives based on open sharing of information. Paul Penders believe that credibility comes from demonstrating open and transparent interactions. Paul Penders must live up to promises make as they have a responsibility to maintain high standards and expectations of ourselves.

1. 1. 2Paul Penders Partnership & Community Company Statement

We value trading relationships that promote fair compensation, safe and healthy working conditions and long-term relationships including transparent business practices. Workplaces must be free from discrimination in race, religion and politics. We believe that people have a right to participate in decisions that affect their lives based on open sharing of information. We value people in the supply chain and recognize the dignity of each person

and organization in our interactions and relationships. We value communities grounded in trust, moral support, cooperation, and a sense of belonging, making us stronger individually and as a whole. We believe that credibility comes from demonstrating open and transparent interactions. We must live up to promises we make as we have a responsibility to maintain high standards and expectations of ourselves. We value the impact that comes from empowering consumers with knowledge. We believe that when consumers understand better that positive changes will come regarding purchasing products that help to improve the lives of people and communities.

Paul Panders Product and Services

Time Release Jasmine Shampoo

Time-Release Jasmine Shampoo

-