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I am working with Norvella Investments, a small, family-owned real estate investment and general contracting business located in Chesapeake, VA. The company has been successful and has increased revenue consistently over the last two years by marketing, operating and purchasing materials domestically and globally, but specifically in Europe. By networking with foreign government officials on contracting jobs, the owners of the company were able to secure leads that resulted in contracts and construction jobs outside of the United States. On the following risk register, I have included the eight risks that currently face this investment and construction company.

RISK RESPONSES:   
1. Risk One-to reduce possible company damage, Norvella Investments should seek and have alternative sites/property as contingency for new construction; when purchasing land to break ground; you will need to account for sewage and contamination levels, evaluate the impact of contamination costs on the project, and conduct land surveys.

2. Risk Two- to reduce possible company damage, company officers should regularly monitor political decision making, federal regulations and guidelines by government for programs that affect funding.

3. Risk Three- to reduce possible company damage, Norvella will need to prepare a contingency plan (s) when partners/investors decide to buy out of the company or leave their positions and look for additional investors as soon as possible.

4. Risk Four- to reduce possible company damage, Norvella should create a plan for unexpected natural occurrences due to the elements, such as fires, earthquakes or tornados, so that your company can continue to operate in the aftermath; keep high-priced materials and equipment stored off-site.

5. Risk Five- to reduce possible company damage, officers should be proactive about turnover, when staffing deficiencies and challenges arise, management needs to handle them promptly so as not to disrupt the flow of or lose prospective of the business as a whole.

6. Risk Six- to reduce possible company damage, the person in charge of this area must regularly maintain all equipment repair logs, provide regular maintenance schedules for equipment and purchase warranties where possible to reduce repair costs for the company.

7. Risk Seven- to reduce possible company damage, company management has to put security measures in place to protect the largest part of its investment-the equipment and devices used daily to operate and make the company revenue. Security should also extend to the company financial information and documents as well, as protecting the financial records is as crucial to operations as equipment and personnel.

8. Risk Eight- to reduce possible company damage, the company must increase its marketing efforts and market research to gain as many advantages into the industry as possible to stay ahead of trends and competition. Market research is necessary for your company to know which services are most profitable to introduce in the market. Also, with respect to Novella’s existing services, good market research tells you if you have been able to satisfy your customer’s needs and whether or not any changes need to be made.

As Norvella Investments continues to operate on a larger, more global scale, funding risks are increased due to the company engaging in international financing activities. Unpredictable sources of revenue will make it difficult for Norvella to operate effectively and despite any negative exposures, conducting business globally can create opportunities for your company to receive reduced supply costs and tap into larger, more lucrative markets. The risks that will affect your company most, internationally, are foreign exchange policies and politics because each will make it difficult-if altered-for your company to maintain a constant and reliable flow of revenue to the business. The foreign exchange risk emanates when the value of the company’s investment overseas fluctuates due to changes in the foreign country’s currency exchange rate. If and when the domestic currency appreciates against the foreign currency, company profits earned in that country will decrease once it is exchanged back into local currency.

Unfortunately, it can be difficult to protect your company from this kind of risk because exchange rates are often very volatile. The political risk emanates as a result of the foreign country’s government and its abrupt or unexpected changes in policy that could negatively affect the business processes of Norvella Investments. Also, policy changes such as trade barriers (which directly affect your construction operations), will obviously disrupt or may even stop the international trade process for Norvella altogether. Fortunately, trade tariffs/ quotas protect domestic companies, such as Norvella, from foreign competition while possibly affecting your profits by either cutting revenues as a result of export taxes or by restricting the amount of revenues that your company can earn. Even though many trade barriers are being eliminated due to the increase in free-trade agreements, the laws of the foreign countries you do business with will influence company profits and overall success.