

# Risk management at riordan

Business, Management



Risk management can be defined as structured approach of dealing with uncertainty by means of risk assessment, mitigation of risk and developing strategies of risk management. Every company including Riordan tends to use available managerial resources to deal with risk. For example, among wide-spread risk management strategies are transferring risk to another party and reducing negative affect of the risk. Moreover, companies try to fight consequences of particular risk. Experts argue that traditional risk managements focuses on risks which are of legal and physical causes as, for example, natural disasters, death and lawsuits.

Financial risk management deals with risk using trade financial instruments. The purpose of risk management is to decrease risks and threats caused by human activities, financial errors, environment, politics, etc. Actually, the first thing to manage is risks associated with the greatest profitability or the greatest loss, and only then risks with low probability of occurring. It is necessary to add that there are risks which are very likely to happen, but organization ignores it either because of lack of professionalism or lack of working experience.

The effects of risk are devastating as they decrease productivity and cost effectiveness, as well as decrease reputation product or service quality leading to ineffective collaboration. Allocating resources is one more matter of concern for risk management as it is able to minimize spending and to maximize the reduction of negative risk effects. Nowadays Riordan Manufacturing Inc. is known to be leader in the field of plastic injection molding. The company creates innovative designs of plastic earning international appreciation.

The keys of Riordan' success is attention to details, proper quality control and extreme precision. In Riordan risk management is used to improve exchange of information and expertise. The company aims at generating new ideas and promoting good practices for customers, employees and partners. Riordan realizes crucial importance of risk management as it allows company to remain on the top of rating lists. The company has to consider both external (environment, politics, and economics) and internal (technology, human activities) risks which may lead to decrease of productivity and performance effectiveness.

Riordan Manufacturing is global corporation and, therefore, it has to assess climatic and environmental issues when expanding business to China. The company also assesses the quality of products and services offered to retain reputation and stability at the market. R&D helps to identify current industry trends to remain competitive in tough business environment. Risk management of Riordan extends also to evaluating innovative strategies, reasonable prices to retain and to attract customers, and responsive business attitude.

Human factor is also assessed to ensure comfortable and oriented working environment. Employees are kept informed, properly supported and focused on validity of the company's goals – it helps to avoid the risk of working conflicts and misunderstanding. Past knowledge is always recorded to avoid similar risks in future and to use data to work out problem-solving techniques. However, Riordan faces certain challenges. Riordan Manufacturing Inc. remains one of the most successful global corporation

dues to their abilities to predict risks and to manage them, as well as to work out innovative strategies.