

Response strategies

Business



Response strategies Response Strategies Risk assessments are essential for the growth of any business or project activity. They form the basis of good decision making to ensure a successful undertaking of an activity. The risks assess both the problems to be encountered (threats) and available opportunities. Identification of possible risks is through careful examination and research of all factors linked to the objective of the entity. Emphasis should be made on how the risks will influence any change in the organization; will the risk positively or negatively impact any form of activity? (Fan, 2008)

In risk assessments i. e. interviews should be founded on the basis of the organizations or projects objectives. This is so as to determine which risks and opportunities are available that can affect the realization of the objective. This makes it easier to be able to identify any strengths or weaknesses in the area of study. It gives more insight about recent developments in the area of study which might positively or negatively affect the venture. Help also determine the legal and policy requirements that might post any risk to the entity (Fan, 2008).

Following discovery and analysis of risks, appropriate action in response to the identified risks must be taken focusing on risks of most significance. The risks may be in form of opportunities or threats. The response actions to an opportunity may include; exploitation, sharing and enhancement. These actions aim at realizing that the available opportunities are realized.

Responses to threats include avoidance, transferring and mitigation of threats. It is necessary therefore to start with the handling of the high-priority opportunities since they foster the growth of a certain project. The opportunities action strategy will insure a positive impact is realized, and

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maximizing the benefits realized for the project. Unlike the threats which may involve the incurring of costs or termination of a project even before it is realized. Hence, it's quite appropriate to maximize on the opportunities first.

Reference

Fan, M., Lin, NP., & Sheu, C. (2008). Choosing a project risk strategy: An analytical model. *International Journal of Production Economics* , 112 (2), 700-713.