

# Procedure for Address Business Risk and Opportunities

Doc. ID	SOP-MR-001	Rev. 0	Date	17.12.2017
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## 1. SUMMARY

- 1.1. The purpose of this procedure is to manage the business risks and opportunities that arise from the context of BLK/Elite and the requirements of interested parties.
- 1.2. This procedure applies to all divisions of BLK/Elite.
- 1.3. The MR is responsible for implementation and management of this procedure.

## 2. REVISION AND APPROVAL

Rev.	Date	Nature of Changes	Approved By
00	28/12/2017	Original issue.	Deputy Director

## 3. General

- 3.1. BLK/Elite considers and manages risks and opportunities differently and based on the overall context of BLK/Elite, requirements of stakeholders, and internal & external issues of concern affecting BLK/Elite.
- 3.2. Risks are managed with a focus on decreasing their likelihood, and minimizing their impact if they should occur.
- 3.3. Opportunities are managed to increase their likelihood, and to maximize their benefits if they should occur.
- 3.4. Where risks and opportunities overlap, the best appropriate method for managing them shall be ascertained, given the situation at hand.

## 4. Management of Risks

- 4.1. Risks are considered during the execution of various processes using the Risk and Opportunities Register, following the steps outlined below:
- 4.2. Additional risks may be identified by any employee at any time.
- 4.3. When using the Risk Register, the following steps are to be followed:
  - Identifying the risk.
  - Identifying the process for which the risk most likely dominates.
  - Assigning a Probability rating to the identified risk:  
Probability: Provides an assessment on how likely it is that this risk will occur.

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Examples are: L-Low ( $\leq 30\%$ ), M-Medium (31-70%), H-High ( $> 70\%$ )

- Assigning a consequence/Impact rating if the risk were to be encountered:  
Severity: Provides an assessment of the impact that the occurrence of this risk would have on the project.  
Examples are: L-Low ( $\leq 30\%$ ), M-Medium (31-70%), H-High ( $> 70\%$ )
- Based on risk, analyze and prioritize the risks and opportunities in the process and Calculate the final Risk Factor based on the equation:

$$\text{PROBABILITY RATING} \times \text{IMPACT RATING} = \text{RISK FACTOR}$$

PROBABILITY			RISK LEVEL	
L	M	H		
M	H	H	H	IMPACT
L	M	H	M	
L	L	M	L	

- For risks with a final Risk Factor rating equal to or greater than the threshold set in the Risk Register, management will decide whether to reject the subject due to the risk, or accept the risks after the development of a risk mitigation plan. The mitigation plan must be documented, either in the Risk Register or in another document which must be referenced on the form.
  - Risks with a factor less than the risk threshold may be accepted without a mitigation plan, unless otherwise directed by management.
  - Assign Risk Owner: The individual responsible for ensuring that risks are appropriately engaged with countermeasures undertaken.
  - Check the effectiveness of the actions – verify does it work.
  - Risk review: The frequency of any review should be based upon the level of risk. Risk review might include reconsideration of risk acceptance decisions.
  - Learn from experience – continual improvement
- 4.4. The Risk Register includes the identification and mitigation plans for key risks associated with the defined process. The **CEO** and **HODs** review these risks and take actions to minimize them. The methods for risk assessments may vary, but should always include a means of identifying the risk under examination, and a description of the result of the risk assessment.
- 4.5. Methods may include brainstorming, structured or semi-structured interviews, SWOT or other tools. No single method is used for all risk assessments; the tool selected should be the best tool applicable to that particular risk analysis.

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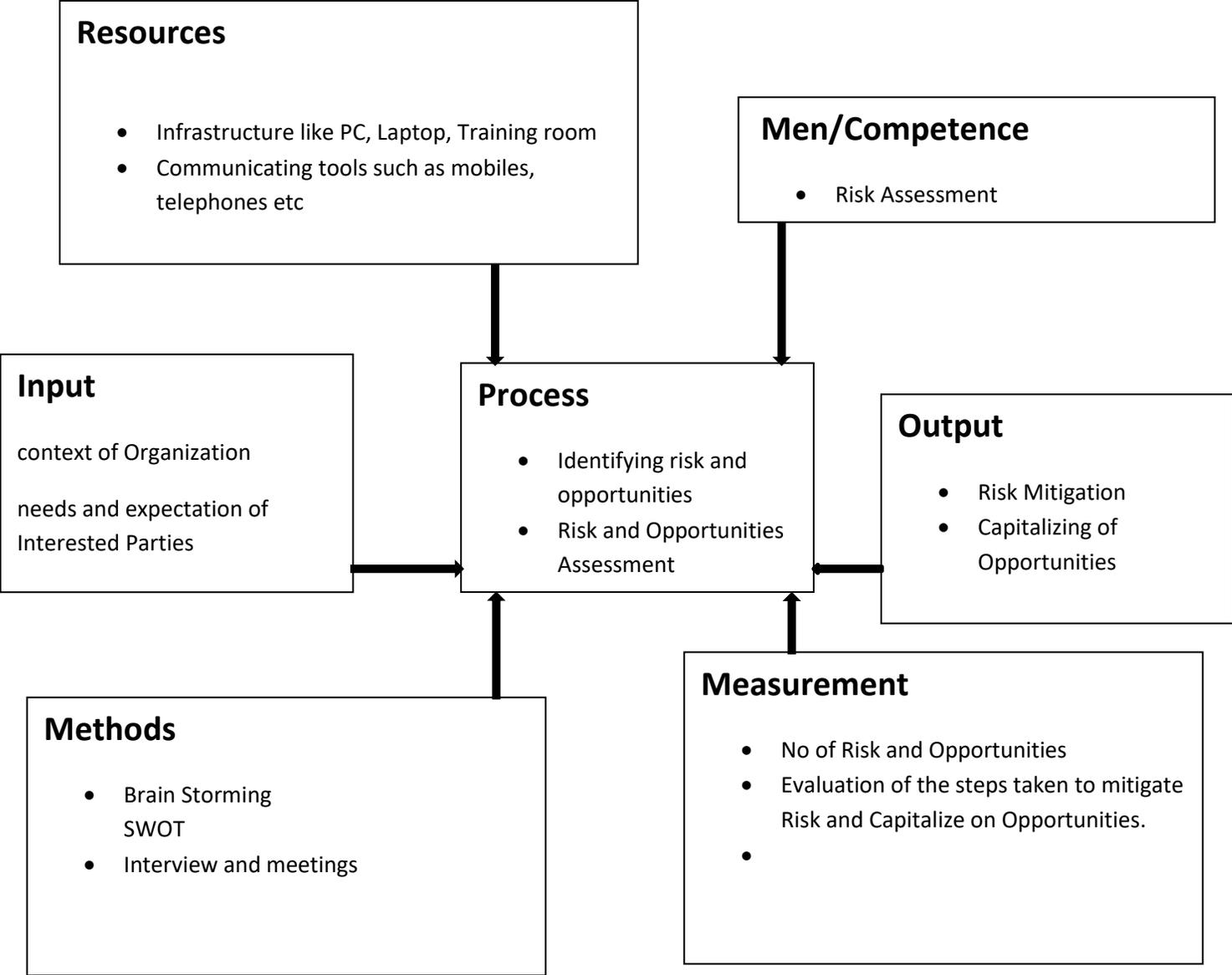
### 5. Management of Opportunities

- 5.1. As part of the different core and support processes, BLK/Elite shall seek out opportunities which could enhance its financial viability and market position. For example:
- Obtaining new registrations
  - Obtaining access to new markets
  - Development of new offerings that are within the scope of capabilities of BLK/Elite
  - Streamlining existing processes to improve efficiency and reduce costs
- 5.2. Discussing and analyzing opportunities shall be done by top management. If made part of the management review activities, these shall be recorded in the management review records.
- 5.3. To help determine which opportunities should be pursued, the Risk and Opportunity Register may be used to conduct an “opportunity pursuit assessment.” This register is similar to the Risk Register, but ranks potential positive opportunities by their likelihood of success and potential benefit.
- 5.4. The opportunity pursuit assessment is conducted by:
- Identifying the opportunity.
  - Identifying the process for which the opportunity most likely falls under.
  - Assigning a Probability rating to the identified opportunity; this probability that the organization can achieve the opportunity. It is comprised of two elements: likelihood and previous occurrences. Each element is given a score from 1 (lowest probability) to 3 (highest probability).
  - Assigning a Benefit rating to assess potential benefits if the opportunity is won. This is comprised of six elements: potential for new business; potential expansion of current business; potential improvements in the organization’s ability to satisfy regulatory or statutory requirements; potential improvements to the quality management system; potential enhancements of BLK/Elite’s reputation; and estimated cost of implementation. Again, each element is given a score from 1 (lowest benefit) to 3 (highest benefit).
  - Calculating a final Opportunity Factor based on the equation:  
$$\text{PROBABILITY RATING} \times \text{BENEFIT RATING} = \text{OPPORTUNITY FACTOR}$$
- 5.5. For opportunities with a final Opportunity Factor rating equal to or greater than the threshold set in the Opportunity Register, management will decide whether to pursue the opportunity through an “opportunity pursuit plan” or to abandon the opportunity altogether. The opportunity pursuit plan must be documented, either in the Risk and Opportunity Register or in another document, which must be referenced on the form.
- 5.6. Opportunities with a factor less than the opportunity target rating may be abandoned outright, unless otherwise directed by management.
- 5.7. Analysis of any opportunity will generally result in one of the following possible determinations:
- Pursue the opportunity
  - Explore the opportunity in greater detail before proceeding
  - Accept the opportunity, but under limited and controlled conditions

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- Decline the opportunity, typically based on a high expected cost or low anticipated benefit
- 5.8. If an opportunity includes a negative aspect, management may elect to conduct a risk assessment on the negative aspect, as defined above.

**6 Risk and Opportunities Process**



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**15. FORMS**

**1)Risk and Opportunities Register (MR / QF/01)**