



# Strategic Business Risks Identification Tool

## Definitions

### Strategic Business Risk

A strategic business risk is the threat that an event – action or inaction – will adversely affect an organization’s ability to achieve its business objectives and execute its strategies successfully.

### Risk Management

Risk Management consists of the methods and processes used by an organization to identify and monitor potential events that will adversely affect the organization’s ability to achieve objectives, and treat those deemed to pose more exposure than the organization is willing to accept.

### Risk Tolerance

Risk Tolerance is the organization’s willingness to bear risk. Some organizations identify a threshold risk score (or “risk tolerance” level), above which risk treatments are expected to be identified and implemented in order to lower the risk score to a level below the threshold.

### Risk Exposure

Risk Exposure is the total amount of risk borne by an organization.

### Risk Register

A Risk Register is a table consisting of the known risks, their risk scores, risk owners, and identified risk treatments. A Risk Register is a snapshot in time and should be updated periodically.

## Risk Discussion Questions

- What keeps you up at night about the future of the Water Bureau?
- What concerns do you have about potential events (or inactions) at the Water Bureau?
- Considering the mission and vision, what events (or inactions) could prevent the bureau from being able to serve excellent water every minute of every day?
- What stands in your way of the bureau doing their best work?

## When Identifying Risks

- Encourage risk identification, include all ideas.
- Encourage perspectives from voices not normally heard from.
- Consider internal and external sources of events.
- Think broadly, outside of your functional area. Consider the “white spaces” in between clearly defined areas of functional responsibility.
- Consider historical unanticipated events (or inactions) and whether they may occur again.
- Consider potential future events (or inactions) given a changed world.
- Think about events that have occurred at other organizations (within and outside of the water industry).