

3rd Business Week

RIGA, 08.05.- 12.05.2017



Project

«Partnerships to ensure Risk Management in practice»

Goal:

«Establishing the system that helps to manage risks thereby reducing potential risks, as resulting in higher possibility to achieve company's objectives»

About the Project

3 COUNTRIES:

- Latvia
- Lithuania
- The Netherlands

5 ORGANIZATIONS:

- BA School of Business and Finance
 - Vilnius Kolegija
 - Hogeschool of Rotterdam
 - Latvian Insurers Association
 - Insurance Company «Balta»
- + (4th BW)
- METEO
 - Latvenergo

Few more numbers

Time line: 08.05.2017-12.05.2017

Verification:

3 BW:

1. The Rotterdam 07.11.-11.011
2. Vilnius (Lithuania) Feb2017
3. **Riga (Latvia) May 2017**

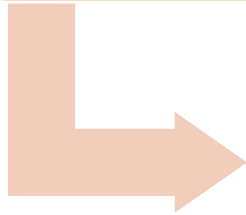
Conferences, seminars

- RTU, LTRK

Step by step

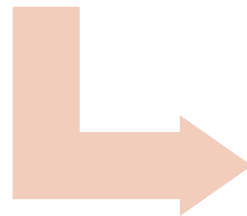
1st BW

- 1st Draft of the the system framework
- Collecting Data (theoretical, qualitative data)
- Designing the system



2nd BW

- Improving the design of the system
- Collecting data (theoretical + actual data from the Industry)
- Get approve from the Industry



Final BW

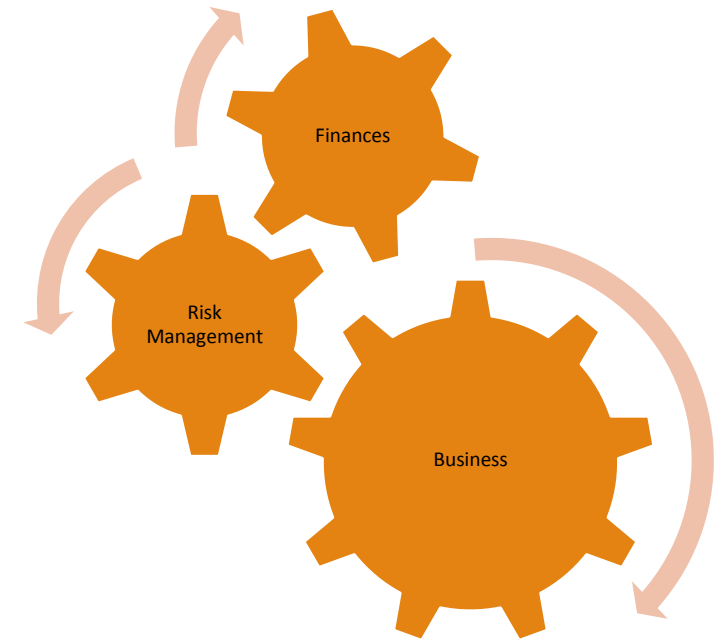
- Final Improving of the System
- Complete simulation of Risks
- Full reports

3rd Business week in Riga (Latvia)

3 Universities

- BA School of Business and Finance – 12 students (Risk Management and Insurance, Finances, Business Administration)
- Vilnius Kolegija (ITS students)
- Hogeschool of Rotterdam (Risk Management students)

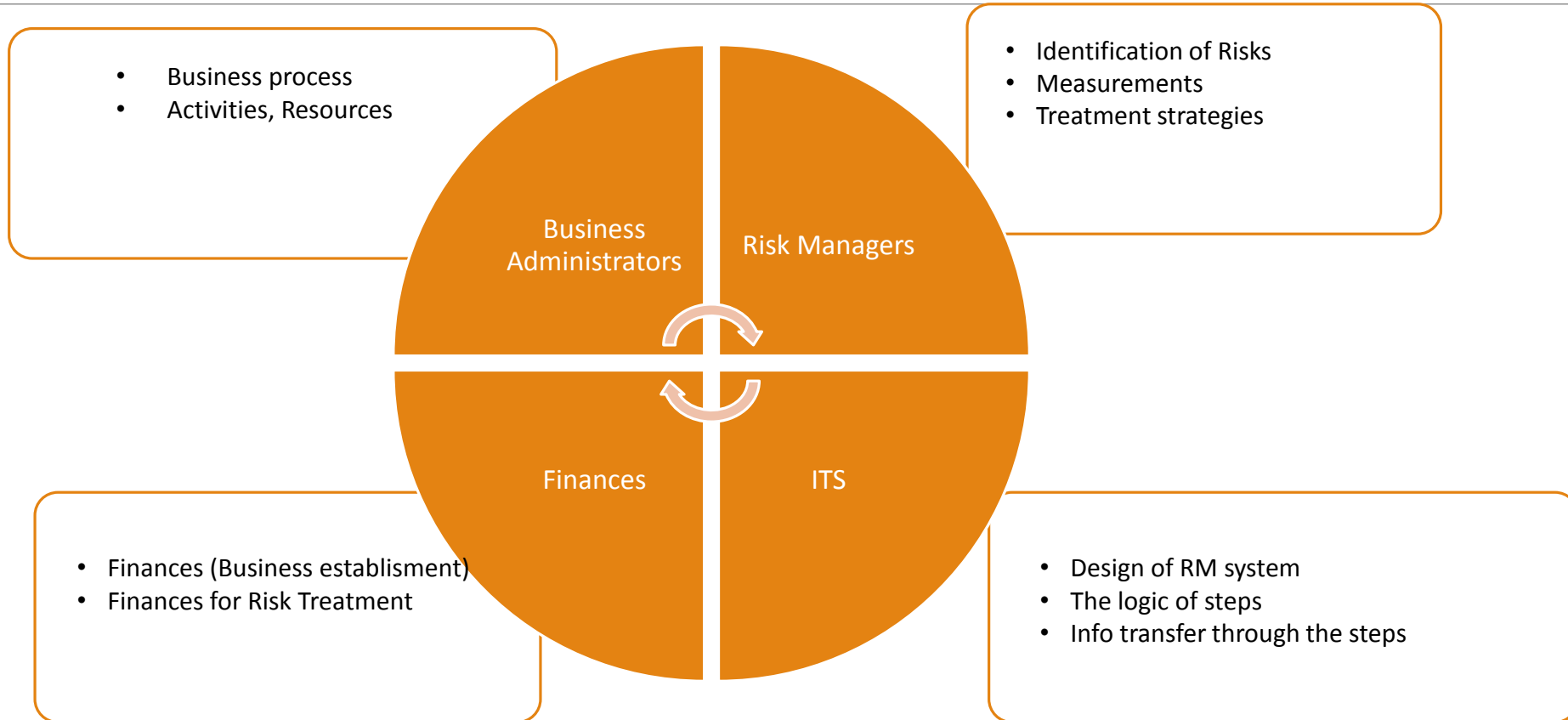
Combinations of Backgrounds



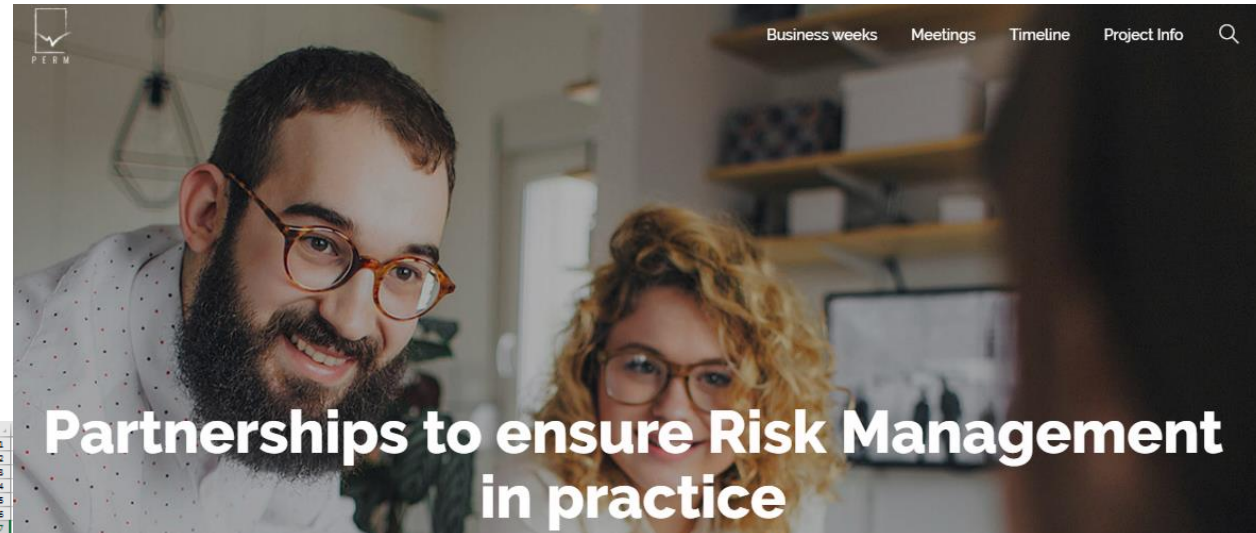
Tasks for the 3rd Business Weeks

1. Data collecting
2. Whole Risk management process
3. Feedback for each one phase (RM step)

The roles of teammember




What we have



Partnerships to ensure Risk Management in practice

KEY ACTIVITIES	RESOURCE	RISK DESCRIPTION	RANGE	PIOFACH	DESTEP	IMPACT LI	SOURCE C	ISK IN	min	mode	max	Probability	FREQ.	IMPAC.	RESUL	TOLER.	Tot
Operational management (Financial management)	HR (CFO, Accountant)	Lack of Experience	Infrastructure	Personnel	0	Operations	HRD										
Operational management (Maintenance)	Tang Assets (Premises (headquar	Natural disaster, fire, theft	Infrastructure	Housing	0	Operations	COO										
Operational management (Maintenance)	Tang Assets (Premises (headquar	Natural disaster, fire, theft	Infrastructure	Housing	0	Operations	COO										
Operational management (Maintenance)	Tang Assets (Equipment, furnitur	Natural disaster, fire, theft	Infrastructure	Housing	0	Operations	COO										
Operational management (Maintenance)	Tang Assets (Equipment, furnitur	Natural disaster, fire, theft	Infrastructure	Housing	0	Operations	COO										
VV Risk Operational management (Maintenance)	Tang Assets (Equipment, furnitur	Stealing of the hardwares	Infrastructure	Housing	0	Operations	COO	€ 10 000	€ 30 000	€ 50 000	10%	1	3	3			
VV Risk Operational management (Maintenance)	Tang Assets (Equipment, furnitur	Stealing of the hardwares	Infrastructure	Housing	3	Operations	COO	€ 10 000	€ 30 000	€ 50 000	10%	1	3	3			
VV Risk Sales/Customer acquisition	Finances (Deb)	Bankruptcy of a buyer - Debtor does not pay.	Financial	Financial	0	Operations	CFO	€ 1 000	€ 4 000	€ 8 000	20%	2	4	B			
VV Risk Sales/Customer acquisition	Finances (Deb)	Bankruptcy of a buyer - Debtor does not pay.	Financial	Financial	0	Operations	CFO	€ 1 000	€ 4 000	€ 8 000	20%	2	4	B			
VV Risk Sales/Customer acquisition	Finances (Deb)	Bankruptcy of a buyer - Sales go down	Financial	Financial	0	Operations	CFO	€ 30 000	€ 200 000	€ 400 000	20%	2	4	B			
VV Risk Sales/Customer acquisition	Finances (Deb)	Bankruptcy of a buyer - Sales go down	Financial	Financial	0	Operations	CFO	€ 30 000	€ 200 000	€ 400 000	20%	2	4	B			
VV Risk Sales/Customer acquisition	Products	Finished products not meet the requirement	Reputation	Organization	0	Operations	COO	€ 2 000	€ 10 000	€ 25 000	5%	2	4	B			
VV Risk Sales/Customer acquisition	Products	Finished products not meet the requirement	Reputation	Organization	0	Operations	COO	€ 2 000	€ 10 000	€ 25 000	5%	2	4	B			
VV Risk Operational management (Maintenance)	Tang Assets (Premises (headquar	Destruction of the building - Destruction of th	Infrastructure	Housing	0	Operations	COO	€ 100 000	€ 200 000	€ 300 000	1%	1	3	B			
VV Risk Operational management (Maintenance)	Tang Assets (Premises (headquar	Destruction of the building - Destruction of th	Infrastructure	Housing	0	Operations	COO	€ 100 000	€ 200 000	€ 300 000	1%	1	3	B			
VV Risk Operational management (Maintenance)	Tang Assets (Premises (headquar	Destruction of the building - Sales cannot be	Infrastructure	Housing	0	Operations	COO	€ 125 000	€ 250 000	€ 1 000 000	1%	1	3	B			
VV Risk Operational management (Maintenance)	Tang Assets (Premises (headquar	Destruction of the building - Sales cannot be	Infrastructure	Housing	0	Operations	COO	€ 125 000	€ 250 000	€ 1 000 000	1%	1	3	B			
VV Risk Operational management (Maintenance)	Tang Assets (Equipment, furnitur	Damage to the vehicles	Infrastructure	Housing	0	Operations	COO	€ 3 000	€ 15 000	€ 200 000	20%	1	3	B			
VV Risk Operational management (Maintenance)	Tang Assets (Equipment, furnitur	Damage to the vehicles	Infrastructure	Housing	0	Operations	COO	€ 3 000	€ 15 000	€ 200 000	20%	1	3	B			
VV Risk Operational management (Maintenance)	Tang Assets (Equipment, furnitur	Failure of machines	Infrastructure	Housing	0	Operations	COO	€ 10 000	€ 30 000	€ 50 000	20%	1	3	B			
VV Risk Operational management (Maintenance)	Tang Assets (Equipment, furnitur	Failure of machines	Infrastructure	Housing	0	Operations	COO	€ 10 000	€ 30 000	€ 50 000	20%	1	3	B			
VV Risk Sales/Customer acquisition	Reputation	Losing public image - Intangibles go down	Reputation	Organization	0	Operations	CEO	€ 5 000	€ 20 000	€ 220 000	5%	2	4	B			
VV Risk Sales/Customer acquisition	Reputation	Losing public image - Intangibles go down	Reputation	Organization	0	Operations	CEO	€ 5 000	€ 20 000	€ 220 000	5%	2	4	B			
VV Risk Sales/Customer acquisition	Reputation	Losing public image - Sales go down	Reputation	Organization	0	Operations	CEO	€ 20 000	€ 100 000	€ 200 000	5%	2	4	B			
VV Risk Sales/Customer acquisition	Reputation	Losing public image - Sales go down	Reputation	Organization	0	Operations	CEO	€ 20 000	€ 100 000	€ 200 000	5%	2	4	B			
VV Risk Operational management (Production)	Products	Producing subquality goods	Reputation	Organization	0	Operations	COO	€ 10 000	€ 30 000	€ 90 000	10%	2	4	B			
VV Risk Operational management (Production)	Products	Producing subquality goods	Reputation	Organization	0	Operations	COO	€ 10 000	€ 30 000	€ 90 000	10%	2	4	B			
VV Risk Operational management (Financial management)	Finances (Tax)	Charging a X13 tax	Financial	Financial	0	Operations	CFO	€ 1 000	€ 3 000	€ 10 000	2%	2	4	B			
VV Risk Operational management (Financial management)	Finances (Tax)	Charging a X13 tax	Financial	Financial	0	Operations	CFO	€ 1 000	€ 3 000	€ 10 000	2%	2	4	B			
VV Risk Operational management (HR management)	HR (Team members)	Losing a (all) presenter(s)	Infrastructure	Personnel	0	Operations	HRD	€ 10 000	€ 30 000	€ 80 000	15%	2	3	B			
VV Risk Operational management (HR management)	HR (Team members)	Losing a (all) presenter(s)	Infrastructure	Personnel	0	Operations	HRD	€ 10 000	€ 30 000	€ 80 000	15%	2	3	B			
VV Risk Operational management (Financial management)	Tang Assets (Raw materials)	Increasing of price for soft materials licenses	Financial	Financial	0	Operations	CFO	€ 3 000	€ 15 000	€ 15 000	20%	2	4	B			
VV Risk Operational management (Financial management)	Tang Assets (Raw materials)	Increasing of price for soft materials licenses	Financial	Financial	0	Operations	CFO	€ 3 000	€ 15 000	€ 15 000	20%	2	4	B			
VV Risk Operational management (Financial management)	Finances (Tax)	Charging a X13 tax	Financial	Financial	0	Operations	CFO	€ 100	€ 300	€ 1 000	30%	2	4	B			
VV Risk Operational management (Financial management)	Finances (Tax)	Charging a X13 tax	Financial	Financial	0	Operations	CFO	€ 100	€ 300	€ 1 000	30%	2	4	B			



New Project

◀ Back Next ▶ Home Navigation Log out

Create New Project

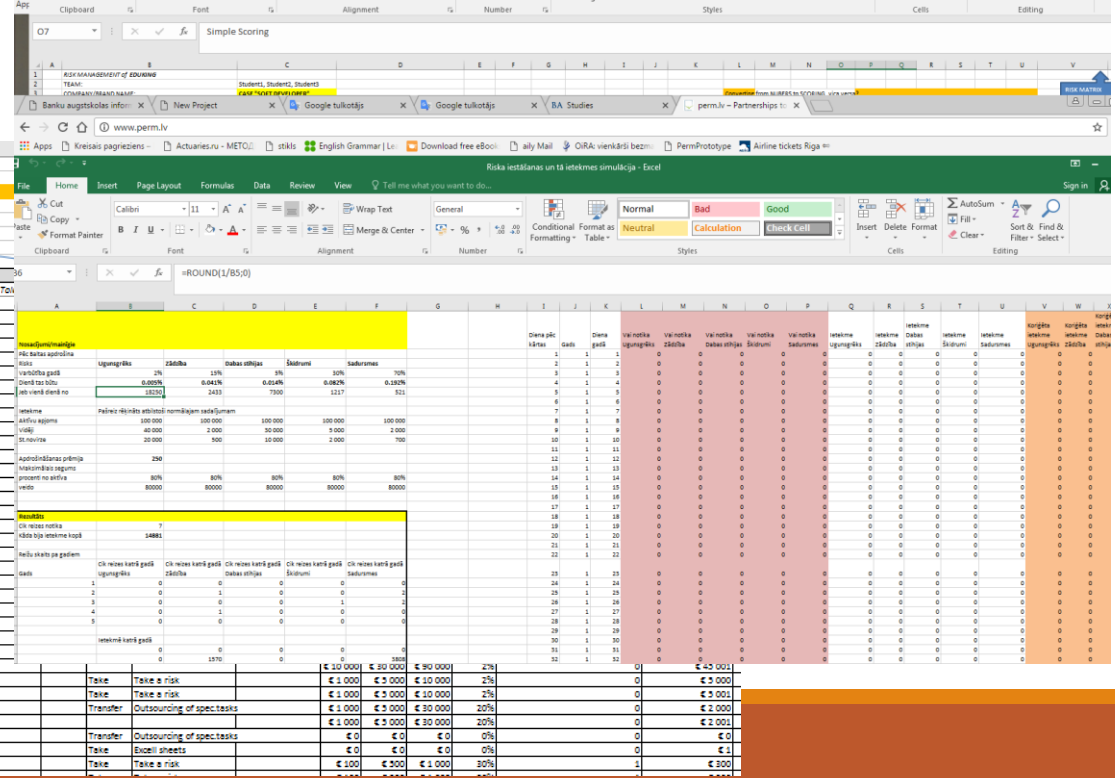
Name

Description

Project start date

Project end date

Number of iterations



Riska iestāšanās un tā ietekmes simulācija - Excel

Formula: =ROUND(L/B5,0)

Agenda for the 3rd BW

Janis`s Presentation

2 Tasks

1. Be in Active position! (User+Developer)
2. You as risk manager are responsible for risk management for Latvenergo AS object Hydropower Plant Kegums

Feedbacks, feedbacks, feedbacks...

Task 1 (the first day)

The company's Goal identification and preparation

1. Identification of **Company's goal**
2. Modification of **Company's goal** according **SMART** principles
3. Establishing **Risk Survey Paper** for Latvenergo/Keguma site Visit (Visit in the next day)
4. Preparing questions for Latvenergo/Meteo representatives

Task 2 (the second day)

Risk survey during visit in Hydropower Plant Kegums

1. **Observe the Object**, ask **questions**, fill out **You Survey Paper**.
2. During the visit **identify processes, objects** and related **risks** according your group focus point
3. Catching other valuable information, which can help you solve assignment

Open your eyes and ears for!

Task 3 (the third and fourth day)

Using of PERM Risk Management system

1. Define **Key Figures** of the Company
2. Define main **Activities** (3-5) of Company for achieving the goal.
3. Define main **Resources** (2-4 for each Activity) related with Activities
4. Identify Risks
 - General Risks (2-3)
 - Specific Risks related with certain Category (3-5)
5. Establish the context/link between identified Activities/Resources and Risks

Task 3 (the third and fourth day)

Using of PERM Risk Management system

6. Execute risk measurement (10 Risks):
 - Probability (Scoring 1-5; 1-min 5 –max)
 - Impact (Scoring 1-5; 1-min 5 –max)
 - Min. impact
 - Max. impact
 - Mean impact
7. Chose specific solutions (2 alternatives) for each risk
8. *Simulate several iteration (years) of risk management process*

Task 4 (fifth day)

Final presentation

Presentation should cover all main points (a time limit for the presentation is **10** minutes).

Suggestions what can be included in the presentation:

- Company's goal via SMART principles
- Key facts from background analyses
- Few main activities, resources
- Key risks
- Solutions
- Creating/full fill Risk Dashboard
- Results of simulation process.

Your task within the presentation is to present that your risk management plan help company achieve the goal better, then without this plan

Documents, papers, info materials:

About Latvenergo and Hydropower Plant Kegums

- Latvenergo **web** site: <http://www.latvenergo.lv/eng/>
- Investor Conference Webinar Presentation - **Latvenergo Group Unaudited Results 2016**
http://www.latvenergo.lv/files/news/2017.3.9_Latvenergo_webinar.pdf
- Sustainability and **Annual (2016) Report**
http://www.latvenergo.lv/files/news/LE_sustainability_annual_report_2016.pdf

Research papers according risks in hydropower plants

- Risk assessment of river-type hydropower plants by using fuzzy logic approach:
<https://pdfs.semanticscholar.org/8a67/efa0be4494e26ecdc2cee8be17d6c2536dbe.pdf>

Perception and management of risk in hydropower projects:

http://ahec.org.in/ICHSD_2015/Presentations/papers_proceedings/Perception_and_Management_of_Risk_in_Hydropower_Projects.pdf