# Actions to address Risks and Opportunities

### Purpose
The purpose of this procedure is to ensure that risks and opportunities are identified and managed.

### Responsibility
Top management and process owners are responsible for management of risks and opportunities including follow up.

### References
- ISO 9001:2015, chapter 6.1
- Risk Management Matrix
- Opportunity Management Matrix

## Procedure

[The Company Long Name] uses a risk and opportunity management approach to appropriately address risks and opportunities that may have an impact on our company and our products and services in order to:

- ensure that our quality management system achieves its intended results;
- prevent or reduce undesirable effects;
- enhance desirable effects;
- achieve improvement.

*Managing risks and opportunities benefits the company.*

 

## Risk Management

### Step 1: Determine Risks

Risks are identified by various means and at various times:

a) **As part of strategic planning**
Strategic planning, which we conduct according to our procedures on "Understanding the Organization and its Context" and "Understanding the Needs and Expectations of interested Parties", includes the determination of risks. Such risks are managed according to this risk management procedure.

b) **As part of the definition of processes**
Each process definition also includes a determination of risks that may affect the process. Such risks are managed according to this risk management procedure.

c) **During Management Reviews**
The corporate environment and other important aspects are reviewed during management reviews, which may lead to the determination of new risks or the revision of previously determined risks.

d) **At any time and by any employee**
Employees may at any time raise a concern about potential problems affecting an operational process with the process owner who then uses the risk management approach as appropriate.

### Step 2: Estimate the Likelihood of each Risk

Risks are inherently uncertain but an estimate of how likely it is that the risk will materialize is an important part of risk management. We rate the likelihood that the risk will occur on a scale from 1 to 5 based on:

- an estimate of how likely it is that the risk may occur, and
- the history of how often the risk has already occurred in the past.

The scale ranges from 1.0 (very unlikely & has never occurred) to 5.0 (very likely & has occurred before).

## Step 3: Consider the Consequences

If the risk materializes, what will be its potential? Considerations include:

- Conformity of products/services
- Customer satisfaction
- Loss of customer and/or contract
- Impact on company reputation
- Health and safety of customers, employees and others
- Potential violations of laws and regulations
- Financial impact

## Step 4: Rate the Impact

Based on the above considerations regarding the consequences of the risk, we rate the severity of the potential consequences on a scale of 1.0 (minor distraction) to 5.0 (severe impact).

## Step 5: Calculate the Priority Number

The priority number is simply calculated by multiplying likelihood (scale of 1.0 to 5.0) with impact (scale of 1.0 to 5.0).

**Likelihood x Impact = Priority Number**

The higher the resulting number, the higher is the priority to address the risk.

**- End of Sample -**

 