

## The Risk Self-Assessment Program, an example of Valentino.

Each company does have its risks. For example client complaints, a fire, somebody steals money or equipment is not working. Not so likely maybe, but it would be quite irresponsible to shrug your shoulders about these risks. To prevent that his processes shall be affected and his efforts destroyed, we have identified the risks of Valentino Ice cream parlour and agreed on some actions for the future. This is an activity where the employees of Valentino give their own opinion on the risks. We are talking about risks in a bigger picture; risks for clients who consume ice cream, for ourselves, for the shop and for the neighbourhood. We named it Risk Self-Assessment. The result is that the employees of the Ice cream parlour has:

- a clear picture of their risks
- action plans in place to reduce the risks to an acceptable level.

The benefit of Risk Self-Assessment is the SELF-assessment, because who knows better about your own processes and risks than yourself?

How does Risk Self-Assessment work?

### 1. The Risk framework

We, as facilitators, help the employees through the whole process. The participants explain their processes and the risks involved during interviews. The only thing the employees of Valentino need to do is prepare the questions before the interview.

After the interviews the facilitators make an overview of the processes and risks, related to the objective (selling qualitative good ice creams to obtain maximum client satisfaction). The objective of this framework is to:

- identify the risks
- be a tool for assessing and managing these risks
- be a tool to appoint owners for the various risks

The risk framework gives an overview of the processes and risks, together with their potential causes.

Here is an example of a Risk framework.

<b>OBJECTIVE: Sell qualitative good ice creams with</b> <ul style="list-style-type: none"><li>• <b>low costs</b></li><li>• <b>good quality ingredients</b></li></ul> <b>to obtain a high level of customer satisfaction</b>	
<b>Processes:</b> <ul style="list-style-type: none"><li>• Buying eggs, milk, sugar</li><li>• Buying cones and cups</li><li>• Buying packed ice creams</li><li>• Making ice creams</li><li>• Making milkshakes and milk drinks</li><li>• Serving soft ice and ice creams</li><li>• Serving packed ice creams</li><li>• Serving milkshakes and milk drinks</li></ul>	<b>Risks:</b> <ul style="list-style-type: none"><li>A. Arguments with clients about their order</li><li>B. Bacterium infection of clients</li><li>C. Danger for clients and employees in fateful situations</li></ul>

Risk A	Potential Causes
<p>Arguments with clients about their order</p> <p><i>Definition:</i>  <i>The risk that clients of Valentino complain about the served products because it isn't what they have ordered resulting in:</i></p> <ul style="list-style-type: none"> <li>• Irritated client</li> <li>• Extra work for staff</li> </ul>	<ul style="list-style-type: none"> <li>➤ Order not heard because of noise outside</li> <li>➤ Unclear speaking clients</li> <li>➤ Staff doesn't listen very well</li> <li>➤ Order is not repeated</li> <li>➤ Not noted down on paper</li> </ul>

## 2 The Validation meeting

This risk framework is the basis for discussions during the workshop, which is described below. Therefore it is important that everybody agrees on this framework. In the validation meeting:

- the employees give their comments and the risk framework will be finalised
- they prioritise the risks

## 3 The Workshop

The duration of the workshop is one day, whereby the employees assess the identified risks. The agenda of this day is:

- To share some experiences
- To discuss the impact when this risk occur and how likely it is that this risk will occur.
- To note down the controls in place used to mitigate the risk.
- To develop actions to reduce the potential causes.

Each participant uses a voting keypad in order to give quick answers on certain questions. There will be a voting on the impact (what is the damage) when the risk occurs and how likely it is that this risk will occur looking at the controls in place.

Here is an example of such a risk assessment.

Risk A: Arguments with clients about their order

*Definition:*

The risk that the clients of Valentino complain about the served products because it isn't what they have ordered resulting in:

- Irritated client
- Extra work for staff

*Experience:*

There were different situations we received a client complaint. Sometimes the client was right, sometimes not. Last week we had a client who would not accept the ice cream because there was cream on it and there shouldn't. On another occasion she argued that it had not the right taste. This resulted in irritation, extra costs and work.

*Controls in place:*

- Smile
- Apologise
- Serve new product

**Impact and likelihood:**

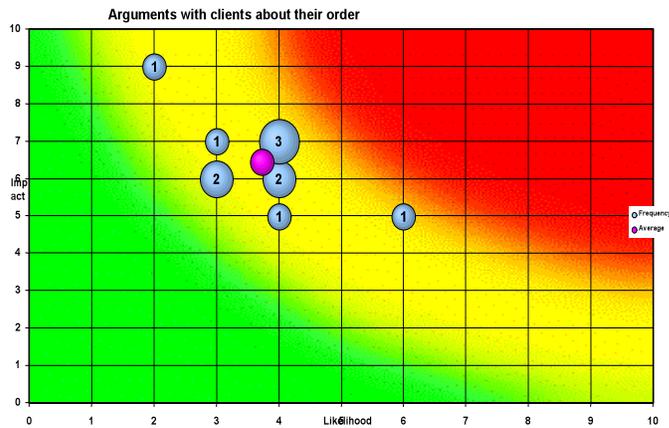
The result of the voting on impact and likelihood is shown in a graph:

- The average voting (the dark purple ball in the middle)
- Each individual voting

In the example below you see that on average the impact is considered medium to high (score 6.5). The likelihood is considered low to medium (score 4).

The graph also shows what all individual participants voted. For example 1 person voted 9 on impact and 2 on likelihood. In the discussion she explained why. Although she thinks that the impact is high when you have arguments with customers, she never had arguments with clients so far. So altogether the risk is not that high.

On average this risk is considered acceptable with caution. Therefore an action plan is necessary to improve the situation.



**Action plans:**

What	How	Who	When
<ul style="list-style-type: none"><li>• Write order on paper</li></ul>	<ul style="list-style-type: none"><li>• Order small note pads</li><li>• Inform all employees</li></ul>	Jessica Valentino	End Nov 02 Mid Dec 02
<ul style="list-style-type: none"><li>• Repeat order</li></ul>	<ul style="list-style-type: none"><li>• Brief all employees</li></ul>	Cindy	Immediate

**Risk Owner:**  
Valentino

**Management Assertion:**

The exposure associated with this risk is acceptable with caution and a plan of corrective action for improvement has been developed.

As you see, in the workshop the risks that are assessed could have a great impact on Valentino ice cream parlour. We have made action plans to prevent the risks from happening and appoint action owners who are responsible for the individual action points. Finally, we appointed a risk owner to control the risk and who will sign off the risk by management assertion.

Valentino was very happy with this Risk Self-Assessment. Because it helped him to improve the processes and reduce the risks. His employees are more aware of the risks and now they give him suggestions on reducing the risks if they see them.

We hope that Risk Self-Assessment will be useful for your department too. Thanks for your attention and time!