



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

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Section

**Master of Project
Management**

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Course Code

(PMG510)

Project Risk Management

Instructions:

Instructor's Name: Eng. Mosaab M. Hamed

Throughout this course you have learned about the different types of risk and how businesses manage them. Now you will be able to see how it is done in a well-known company.

Your assignment is to choose one of the following companies:

Saudi Aramco

The National Commercial Bank

Saudi Telecom Company

Do some research on any of the aforementioned companies and identify four risks they are facing.

For each risk please answer the following:

1. Why is this a risk?
2. What type of risk is it?
3. What is the likelihood of the risk? How great is the impact?
4. What strategy or policy does the company use to manage the risk?

** Your answers could either be in Arabic or English.

** You should submit your assignment in a pdf formatted file.

** Font size should be 12.

** Font type is Arial.

** Line spacing is 1.5.

All the best.

ANSWER:

Since I am working in Petrochemical company, I prefer choosing Saudi Aramco.

Risk #1: Operational risks, such as fires or explosions

- 1- WHY: The Company is subject to operational risks common in the oil and gas industry, including: crude oil or gas spills, pipeline leaks and ruptures, storage tank leaks, and accidents involving explosions and fire.
- 2- TYPE of risk: it is a Hazard risk.
- 3- The magnitude and likelihood is High; high. And the consequences impact could be days, months and years with health and safety program damages. Like the explosion happened in The Port Neches, **Texas**.
- 4- Strategies: are a lot but I will mention one of it. Creating an incident for any observation you see in the plant. This it will help to prevent any consequences coming.

Risk #2: The increase in electric vehicles

- 1- WHY: International crude oil supply and demand and the sales price for crude oil are affected by many factors that are beyond the Company's control, including the electrification of transportation.
- 2- TYPE of risk: It is a control risk.
- 3- The risk likelihood is low. And the impact could happen later in the future.
- 4- Since it is beyond the company control, they cannot do anything about it.

Risk #3: Risks to Potential Investors

- 1- WHY: slowing demand for oil in Asian markets along with the war in Yamen it could affect the profitability.
- 2- TYPE of risk: it is opportunity Risk
- 3- The risk likelihood is low, and the magnitude is low as well.
- 4- Focusing in opportunities such like investment in some new projects

Risk #4: Infrastructure risks due to climate change

- 1- Why: A long-term business by rising sea levels and temperatures could damage infrastructure. Temperature increases by 0.5 degree yearly and this could significantly damage the company's refining operations, impacting yield and its availability to process crude.
- 2- TYPE of risk: it is a Hazard risk.
- 3- The risk likelihood is low, and the magnitude is low as well.
- 4- There is no such a search on how ARAMCO will be working on preventing such failure. But in my opinion, I believe they have to have a full project (civil survey) on how to prevent it of happening in future.