



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

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Instructions:

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.

Saudi Aramco

A. Risks related to environmental protection laws and regulations

1- Because Saudi Aramco's operations are subject to extensive laws and regulations relating to environmental protection, health, and safety. Therefore, compliance with these obligations can result in significant expenditures. If Saudi Aramco fails to comply with applicable laws and regulations.

2- Compliance risk

3- The likelihood of the risk is very high because some of Aramco facilities have closed multiple times, to ensure compliance with applicable laws and regulations, and the magnitude of the impact is very huge which can result in significant fines.

4- Saudi Aramco has strengthened its operational performance through improvements are designed to maintain the low carbon intensity of the Company's operations, and It has proven its ability to commitments to strict existing laws and regulations about environmental protection, health, and safety.

B. Risks related to IT systems

1- Because Saudi Aramco's operations are dependent on the reliability and security of its IT systems for, among other things, the exploration, development, production, storage, and distribution of hydrocarbons; processing, and many other things.

2- Hazard risk

3- The likelihood of the risk is low because these attacks rarely happen, but the magnitude of the impact is very huge which can result in physical damage, injury or loss of life, and environmental harm.

4- Saudi Aramco has developed their protection networks after a cyberattack in 2012, which now routinely fends off malicious attempts to gain unauthorized systems access.

C. Risks related to terrorism, armed conflict and sabotage

1- Because Saudi Aramco's facilities have been targeted by missiles and other aerial attacks from Yemen's Houthi group, which adversely affected on the market price of the shares.

2- Hazard risk

3- The likelihood of the risk is high because the number of ballistic missile and drone attacks is very large, and the magnitude of the impact also is very huge which the attacks could have a material adverse effect on Saudi Aramco's business, financial position and results of operations and could cause Saudi Aramco to expend significant funds.

4- Most of the ballistic missiles were intercepted before striking their targets. By the Saudi Air Defense Forces

D. Risks related to competition

1- Because Saudi Aramco operates in a highly competitive environment. Competitive pressure could have a material adverse impact on the price at which it sells crude oil and other products.

2- Control (uncertainty) risks

3- The likelihood of the risk is very high because the discoveries of crude oil reserves by Saudi Aramco's competitors increasing, and the magnitude of the impact also is high which could have a material adverse impact on prices at which Saudi Aramco can sell crude oil and its regional and global market share.

4- Saudi Aramco has provided low-cost operating efficiencies and production, which affected its competition in the refined products and chemicals markets.