



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.

Saudi Aramco

First risk : power supply shortages or failures and interruption

Why is this a risk? This risk could result in damage to, or destruction of, the Company's properties and facilities and reducing productions and affecting plant process and may lead to unsafe shutdown plant, which could have impact on the Company's operations or result in liabilities and remediation costs .

What type of risk is it? It is a Hazard risk .

What is the likelihood of the risk? How great is the impact?

Likelihood	Impact	Risk bands(score)	Exposure Level
Likely(3)	Medium(3)	9(Medium)	5-9= Medium (level2)

What strategy or policy does the company use to manage the risk? They should take appropriate actions to eliminate this risk by making Very strong redundant power system design, contingency plan, blackout plant procedures, Backup power supply like diesel engine &battery and etc.

Second risk : Risk related to crude oil supply and demand

Why is this a risk? Sales of crude oil are the largest component of Saudi Aramco's consolidated revenue and other income related to sales. Accordingly, Saudi Aramco's results of operations and cash flow are impacted by the price at which it is able to sell crude oil.

What type of risk is it? It is an uncertainties risk .

What is the likelihood of the risk? How great is the impact?

Likelihood	Impact	Risk bands(score)	Exposure Level
Highly Likely(4)	Low(2)	8(Medium)	5-9=Medium (level2)

What strategy or policy does the company use to manage the risk? Reduce/transfer the risk to acceptable level based on some logical analysis (cost benefit analysis) by applying Strategies to Maintain Profitability When Crude Oil Prices Fluctuate , implement plan to manage market expectations with respect to future supply of petroleum and petroleum products, demand and price changes and production levels.

Third risk: Risk related to changes to environmental or other regulations or laws applicable to crude oil and related products or the energy industry

Why is this a risk? Because if Saudi Aramco fails to comply with applicable laws and regulations, it could be subject to fines or the partial or total shut down of related operations. Saudi Aramco has, from time to time, shut down certain facilities in order to ensure compliance with applicable laws and regulations. In addition, a stricter interpretation of existing laws and regulations, any changes in these laws and regulations or the enactment of new laws and regulations may impose new obligations on Saudi Aramco or otherwise adversely affect Saudi Aramco's business, financial position and results of operations.

What type of risk is it? It is a compliance risks .

What is the likelihood of the risk? How great is the impact?

Likelihood	Impact	Risk bands(score)	Exposure Level
Likely(3)	Very high(5)	15(High)	10-19=High (level3)

What strategy or policy does the company use to manage the risk? it is receive boardroom attention and the board will expect this risks to be properly managed and the board will only receive routine/annual reports describing risk performance, or a special report if a specific issue has arisen to introduce effective and efficient controls to minimize and ensure full compliance with all rules and regulations and run zero risk .

Fourth risk: Risk related to storage tank or pipeline leak

Why is this a risk? Because this risk could result in damage to, or destruction of, the Company's properties and facilities and reducing productions and affecting plant process which could have impact on the Company's operations or result in liabilities and remediation costs.

What type of risk is it? It is a hazard risks .

What is the likelihood of the risk? How great is the impact?

Likelihood	Impact	Risk bands(score)	Exposure Level
Likely(3)	Medium(3)	9(Medium)	5-9= Medium (level2)

What strategy or policy does the company use to manage the risk They should take appropriate actions to eliminate this risk by making Very strong redundant fuel system design for tanks and pipelines, contingency plan, a quick response by the contractor to fix the leak within 24hours maximum .