



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.

I choose [Saudi Aramco](#) company and I identify the four risks they are facing :

- 1- Climate change and global warming
- 2- Market demand of oil
- 3- Expansion of the use of renewable energy
- 4- Computer cyber attacks

Climate change and global warming	
Why is this risk ?	Within time world starts worrying more about climate changing and the governments put high regulations to save the world from climate change and global warming. So, the companies should follow the regulations from governments to avoid legal trials.
Type of risk	Compliance risk
What is the likelihood of the risk? How great is the impact?	Aramco worked hard to avoid the likelihood of the risk by developing & following high standards to save the environment. And if the company does not take actions it will face legal trials and as well as risk its reputation.
What strategy or policy does the company use to manage the risk?	Aramco built new strategies in long term and medium term. Aramco now doesn't burn gas any more to protect the environment.

Market demand of oil	
Why is this risk ?	The market demand of oil is one of the continuous risks any oil company faces because it directly affects the profit of the company.
Type of risk	The types of this risk are control and opportunity risk because this risk may affect the ability to achieve the organizations mission. The risk of high oil prices will be opportunity risk for the company.
What is the likelihood of the risk? How great is the impact?	In the covid-19, this risk became high-risk. The risk is directly affecting the profit of company.
What strategy or policy does the company use to manage the risk?	Aramco follows many tactics in this risk. One of them is to deal with companies over the world and governments through OPEC to determent the oil quotas.

Expansion of the use of renewable energy	
Why is this risk ?	People now have awareness about Climate change and global warming. So, people start using renewable energy which reduces the need to use oil. Therefore, Oil companies will face challenges due to decrease in oil demand.
Type of risk	The type of this risk are control and opportunity risk this risk may affect the ability to achieve the organizations mission. it's opportunity risk for the company because the company had started to investments in other areas.
What is the likelihood of the risk? How great is the impact?	This risk will reduce the profit of company in the long run. This will cause bad impacts.
What strategy or policy does the company use to manage the risk?	Aramco already built new strategies in long term. Aramco had started acquisition and investments in other companies like Sabic etc.

Computer cyber attacks	
Why is this risk ?	This risk is one of the most common risks in world which adversely affects the company operations and critical data.
Type of risk	Compliance risk
What is the likelihood of the risk? How great is the impact?	It's a high risk if it happens. It happened to Aramco before which adversely affected Aramco operations and computer networks.
What strategy or policy does the company use to manage the risk?	Aramco follow many tactics and high standards in this risk, such as building its own networks to prevent any external computer attacks.