



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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Project Risk Management

Instructions:

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Common Risks That Aramco Faces:

<u>Risks that Aramco faces:</u>	Why is this a risk?	What of risk is it?	What is the likelihood of the risk? How great is the impact?	What strategy or policy does the company use to manage the risk?
Cyber terrorism crimes	Cyber terrorism crimes can cause negative impacts on companies. Aramco is one of the companies that have been severely affected by cyber attacks. Aramco has been exposed to one of those attacks, where, within hours, more than 35 thousand electronic computers broke down, between losing partial data or completely destroying it. Hackers asked Aramco for an amount of money in order to withdraw from this attack, and there was no other way for Aramco to solve this problem, so Aramco paid them the amount. Cyber attacks directly affect the company's devices, which affect its systems, data, and production processes and other processes.	Hazard Risk	High likelihood and High impact.	To avoiding such these risks. Aramco is pursuing strict measures to enhance its cyber security, through tracking procedures represented in the application of monitoring and control systems using artificial intelligence, partnerships with leading authorities in the field of cyber security, and continuous training and development for its employees. Also, has used the advanced protection systems and the multiple preventive systems that the company adopts to protect its data from cyber attacks and viruses.
Operational Risks	Aramco is exposed to operational risks common in the oil and gas sector, such as oil or gas leakage, accidents related to explosions, heat and fires, material leaks, emissions of substances or toxic gases, as well as mechanical failure or equipment failure. These risks may cause damage or	Hazard Risk	High likelihood and High impact	Some of the safety responsibilities and procedures that Aramco has implemented to avoid such risks, for example Prepare for emergencies and other contingencies and respond promptly and effectively to incidents. Report and

temporary suspension of Aramco's property and facilities, or cause deaths, loss or injuries to its employees. Which may significantly affect Aramco's business. Also, the company may incur financial liabilities and exorbitant costs to repair the resulting damages.

investigate all incidents, take prompt action to prevent recurrence and communicate lessons learned. Promote off-the-job safety and community awareness. Review and improve the company's safety performance continuously. Aramco has implemented several precaution and rules for safety and health. Such as Inspection and Tagging which provides a visible scaffold inspection tag (Red, Green, or Yellow) continuously during the entire time the scaffold is being erected, used, or dismantled, Installed hazard warning devices prior when the start of any road work and industrial Radiography (Nondestructive Testing ([NDT])..etc. .All safety rules and other procedures were conducted by Aramco to ensure the employees safety and protect them from any threats that may affect their life negatively.

Saudi Aramco's ability to achieve its strategic growth goals depends heavily on its success in implementing capital projects at the right time and at an appropriate cost, especially major projects, whether implemented by Saudi Aramco alone, or in partnership with its joint venture partners or affiliates. Saudi Aramco faces many challenges related to the development of these projects, such as: Restrictions related to the availability of qualified manpower, contractors,

Opportunity Risk

High likelihood and **Low** impact

The strategy of Saudi Aramco to enhance the opportunity risks and get the best outcome is to establish relationships with innovative energy technology companies of strategic importance and consolidate these relationships, and this is what prompted it to invest at the global level in emerging and fast-growing companies that develop technologies strategically important to Saudi Aramco, as well as a

The risks associated with achieving strategic growth goals

materials, equipment's, facilities and their costs, particularly during periods of global expansion in the crude oil and gas or chemicals sector. Also, implementing projects or projects in new business sectors in which Saudi Aramco has limited or no operational experience. These challenges may prevent Aramco to achieve its goals to expand and not win the opportunity.

commitment to research and development. Aramco focuses on the creative and innovative ideas and technologies that enable it to benefit from its resources more, and to make these resources more useful, sustainable and competitive, which in turn leads to ensuring energy security at the global level. Aramco's strategy is centered on its competitive advantage, and they are as follows: refining, processing and marketing, and creating growth opportunities throughout the hydrocarbon chain to enable the company to develop its sources of profits, and give it sufficient flexibility that enables it to face the fluctuations in oil prices and benefit from the growing demand for petrochemical products.

Covid -19 crisis

COVID-19 has affected Aramco negatively; where this pandemic leads the world faces an unprecedented crisis. And one of those negatives that Aramco faced is oil giant Saudi Aramco's profit plunged 73 per cent, because of the slump in energy demand and lower crude oil prices due to the coronavirus, crisis hit sales at the world's biggest oil exporter. Which obviously will affect the Saudi Arabia energy industry negatively as a whole.

Hazard Risk

High likelihood and **High** impact

Aramco has previously faced the global and Asian financial crisis that occurred before. Where its laboratories in Abqaiq and Khurais 2019 were targeted, which made it come out of the plight of "Covid-19" more powerful. Aramco has inbuilt systems for managing global crises to mitigate and avoid like these risks. Those same systems are in place now and those are this is due to Aramco's financial and operational robustness, low production costs, unique business scope, and efficient human

				resources so that it can continue to deliver to the world. Also, Aramco has increased preventative measures across its facilities to ensure it is protected from contamination, and are continually sterilizing workspaces and instituting health checks across its teams such as make sure its employees are wearing mask, daily temperatures checking and keep social distance. Its dedicated employees are keeping the energy supply flowing; to the markets, the manufacturers, and the municipalities. It is worth mentioning that Aramco has never missed a shipment for operational reasons either during the pandemic or before it.
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