



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Project (Spring 2021)

Student Name	Yaqub Mousa Khamaj	اسم الطالب
Students I.D	2021202189	الرقم الجامعي

Section

Master

Date

Monday

10 / 05 / 2021.

Course Code

(PMG510)

Project Risk Management

Project Risk Management

Zain Telecom Company in Saudi Arabia

Introduction

Zain is one of the leading companies in the field of mobile communications in the Middle East and North Africa. It enjoys a distinct geographical spread, thanks to its presence in 8 countries, and the Zain Group provides its services in the markets of Kuwait, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, and the Kingdom. The Hashemite Jordanian, Iraq, Sudan, South Sudan, and Lebanon (management contract), in addition to Morocco, through its possession of a 15.5% stake in the Moroccan Inwi Company. Zain considers itself a major partner to the communities in which it provides its services. In addition to its commitment to providing world class mobile communication services, it is committed to its duties in the areas of social responsibility, and it seeks to make its economic, social and cultural projects contribute to making a positive impact on peoples' lives ¹.

'Risk management is an integrated organization that aims to confront the risk with the best means and the lowest costs by discovering the risk, analyzing it, measuring it and determining the means to confront it with choosing the most appropriate one to achieve the desired goal (Willumsen, P., Oehmen, J., Stingl, V., & Geraldi, J. , 2019) .

The main and main objective of risk management is to develop a policy with specific parameters to face the expected losses or limit the occurrence of these losses, and the person in charge of risk management is called the risk manager and the risk manager job is considered one of the important functions in the project and it is no less important than the function of the financial manager or the administrative manager, and therefore Risk management has become one of the important administrative functions of the project (Al Rahahleh, N., Ishaq Bhatti, M., & Najuna Misman, F. 2019) .

¹ <https://www.zain.com/en/>

Literature Review

1- Types of risk

There are two types of risks (Aven, T., & Renn, O. , 2010) , one of which relates to the moral and social aspects of people and does not directly affect the economic and financial aspects of them, so it is known as moral (non-economic) risks, and the second type relates to the economic and financial aspects of people and therefore it is called economic risks that directly affect their economies.

First - moral (non-economic) dangers:

It is the one whose causes achieve a purely moral loss, i.e. it has nothing to do with the financial and economic aspects of people, for example the death of a religious reformer, a dear friend, or a great leader and leader, as the survival or death of any of these does not accrue to the other person any profit or loss in income or property. In a direct way, but it affects positively or negatively on his moral and psychological state.

Second - Economic Risks:

They are those dangers whose causes are an economic loss, usually borne by the decision-maker in the form of loss of income, a decrease in its value, loss of an asset or a decrease in its value, or also in the form of a decrease in sales and the consequent realization of losses.

These dangers are clear with regard to the risk of death associated with the loss of income, and with regard to the risk of fire associated with the loss of the asset, and other economic risks related to the loss of financial or economic aspects to which all elements of production are exposed, namely capital, labor, land and administration(Leo, M., Sharma, S., & Maddulety, K. , 2019) .

2- Types of risks that occur in project establishments, arranged according to their likelihood of occurrence (Leo, M., Sharma, S., & Maddulety, K., 2019):

- Financial risks: the degree of fluctuations in the budget and several internal factors such as the inaccuracy of the budget estimation, and the insufficiency of financial allocations that prevent the achievement of the objectives of the enterprise.

- Risks of technical malfunctions: technical and mechanical failures that occur to production machines that prevent the achievement of goals.
- Fire hazards: threats that may face the facility and expose the lives of individuals to injuries, destroy buildings, and damage the contents of important documents and data as a result of the occurrence of the fire.
- Natural disaster risks: natural threats facing the facility, such as earthquakes, floods, slides and landslides that prevent the achievement of goals.
- Cognitive risks: the threats facing the facility in the shortage of human cadres, the lack of administrative and customs skills, the physical and moral breach of job stability, the ineffectiveness of training programs, ... etc.
- Health risks: threats facing the business establishment from work injuries to employees in customs and border field work, and environmental and health threats such as exposure to radioactive and dangerous materials and others.
- Legal risks: Threats facing business enterprises with a low level of awareness of the legislation regulating the work of the establishment, lack of knowledge of how to apply its provisions, and failure to provide those concerned with the amendments that must be made to avoid the material and technical risks.
- Awareness / media risks: Threats related to not providing those concerned with information with sufficient accuracy.

Methodology

Risk impact:

- High – Catastrophic (Rating A – 100)
- Medium – Critical (Rating B – 50)
- Low – Marginal (Rating C – 10)

It identifies the timeframe for this risk to affect it. The following is classified as one:

Timeframe	Description
Near	Now- until 3 month
Mid	next 4-12 months
Far	>12 months

Impact-Probability Matrix:

Impact	Probability		
High $80\% \leq x \leq 100\%$	Medium high $60\% \leq x \leq 80\%$	Medium low $30\% \leq x \leq 60\%$	Low $0\% \leq x \leq 30\%$

A = High	(Exposure - Very High) (Score 100)	(Exposure - Very High) (Score 80)	(Exposure - High) (Score 60)	(Exposure - Moderate) (Score 30)
B = Medium	(Exposure - High) (Score 50)	(Exposure - Moderate) (Score 40)	(Exposure - Moderate) (Score 30)	(Exposure - Low) (Score 15)
C = Low	(Exposure - Low) (Score 10)	Exposure - Low (Score 8)	Exposure - Low (Score 6)	(Exposure - Low) (Score 3)

Examples of risk classification:

Risk event	Probability	Impact rating	Score
Operational threats affecting processes, systems, people and the entire value chain.	30%	C	30
Financial threats, which are related to fluctuations in markets, environments and	50%	B	60

business investments.			
Strategic threats related to customers, competitors and investors.	90%	A	100
Total	190		

EVM calculation:

Risk	Risk Probability (P)	Cost Impact (IC)	Risk Contingency (P*IC)
A	0.3	\$9.000	\$2.700
B	0.5	\$7.000	\$3.500
C	0.9	\$16.000	\$14.400

The following objectives are addressed in the risk response plans:

- Individuals who have the correct knowledge should participate in risk identification, as it requires knowledge of the project with a thorough knowledge of the strategic and operational objectives.
- The risk management plan is a continuous activity that does not end once a risk management plan is prepared. Risks may appear at any time or during the development of project activities.
- A risk management plan is a participatory work in which employees participate and may need to involve stakeholders.

Discussion

Risk management is part of project management, and it is represented in a set of procedures that risk management follows in an orderly manner to confront the risks associated with the project through the optimal use of available resources in the presence of risks to ensure the achievement of objectives. The risk management strategy provides a space for communication to prevent or reduce the risk. And from the size of losses when they occur, and to work not to recur by studying the reasons for the occurrence of each risk in order to avoid it in the future, and to provide the necessary funds to compensate the administration for the losses that may occur. The outline of risk management methods that should be used in one stage of the project risk management process are represented in four steps which are risk identification, risk analysis, risk response, risk tracking and reporting. It should be noted that the first three stages occur in sequence, and the fourth stage (tracking risks) occurs during the whole process.

References

- Al Rahahleh, N., Ishaq Bhatti, M., & Najuna Misman, F. (2019). Developments in risk management in Islamic finance: A review. *Journal of Risk and Financial Management*, 12(1), 37.
- Aven, T., & Renn, O. (2010). Risk management. In *Risk Management and Governance* (pp. 121-158). Springer, Berlin, Heidelberg.
- Fan, Y., & Stevenson, M. (2018). A review of supply chain risk management: definition, theory, and research agenda. *International Journal of Physical Distribution & Logistics Management*.
- Leo, M., Sharma, S., & Maddulety, K. (2019). Machine learning in banking risk management: A literature review. *Risks*, 7(1), 29.
- Tupa, J., Simota, J., & Steiner, F. (2017). Aspects of risk management implementation for Industry 4.0. *Procedia manufacturing*, 11, 1223-1230.
- Willumsen, P., Oehmen, J., Stingl, V., & Geraldi, J. (2019). Value creation through project risk management. *International Journal of Project Management*, 37(5), 731-749.