

RISK IDENTIFICATION AND RISK ANALYSIS

Saudi Telecom Company is a Saudi-Arabia-based company digital-based company that offers multiple services which include services, landline, mobile, internet services, enterprise digital solutions, entertainment, fintech, and entertainment. This report is aiming to identify risks that are likely to affect the processing of the company along with presenting a risk assessment report.

KEY RISKS WHICH TELECOM BASED INDUSTRY IS FACING:

The major risks which telecom based companies are facing includes:

- Strategies related to transformation which is digital and strategies that are related to growth tend to be very ineffective and out of scope.
- Since the strategies are ineffective they tend to overburden Capex which is rising.
- Since the telecom industry is going through a revolution so there is a requirement of the framework which can regulate all the activities which are involved in the process.
- The changing requirement of the telecom industry requires planning and designing which can fulfill the changing requirements. Ineffectiveness of planning and design regarding the working practices tends to be one of the biggest risks which telecom industry is facing.
- Since management plays an integral role in any other organization so is the case with the telecom industry. The Telecom industry is facing one of the major risks which is a lack of efficiency in the management of the portfolio.

RISK MANAGEMENT PROCESS:

Following is the process which is involved in the process which is utilized for the management of the risks:

- Identification
- Examination
- Extenuation Preparation
- Mitigation and implementation of a plan
- Resulting

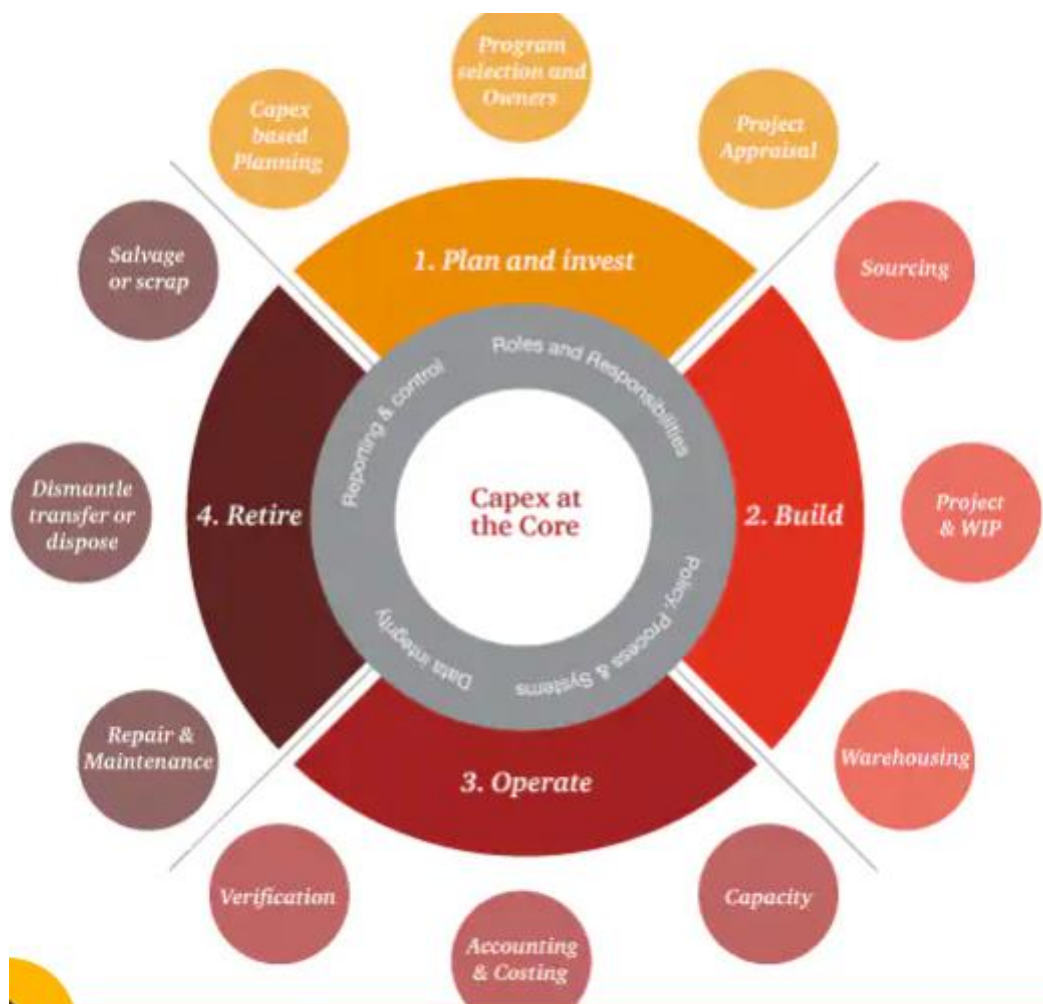
IDENTIFICATION OF RISK:

Following are two major risks which are likely to show up which includes implementation risks and product risks. The implementation risks are of two types which are external risks and internal risks. External risks include risks related to funding, political influence, issues in the shared technology, issues related to associates and issues regarding performance. Internal issues on the other hand includes risks related to planning, resources, tools, skills, performance of the sub-contractors involved in the process. Both internal and external risks which are related to implementation are likely to lead towards the cancellation of the project.

Product risks on the other hand are of two types which includes risks in context with the failure and risks in context with the hazardous. The risk which are likely to show up in context with the failure includes failure of the single point, limitation of the life of the items, risks related to expendables, risks related to untestable, and risks which are related to the sensitivity. Risks which are hazardous includes radiation, explosives, potential, energy, high voltage and toxins. All these risks which are related to risks included in the hazardous can lead to the injury to the team who is involved in the process along with failure of the project.

PROBABILITY MATRIX:

	<i>Northeast</i> <i>D</i>	<i>Southeast</i> <i>E</i>	<i>Midwest</i> <i>F</i>	<i>West</i> <i>G</i>	
<i>Finance A</i>	.12	.05	.04	.07	.28
<i>Manufacturing B</i>	.15	.03	.11	.06	.35
<i>Communications C</i>	.14	.09	.06	.08	.37
	.41	.17	.21	.21	1.00

RISK ANALYSIS:

(S Grishunin, 2016)

The most complex problem which telecom industry faces is controlling capital expenditure. As per the survey the telecom industry is facing risk which is wasting of cost which is approximately 20% or an amount of \$ 65 billion/year in terms of CAPEX. Most of the companies who are dealing with telecom have always faced an issue related to an altitude that they are built at the wrong places, wrong times, and at the wrong price. Most of the time companies fail to understand the demands of the customers, needs of their customers because customers tend to pay according to their requirements. Capex which is a fixed-line is always something that is driven by the technology so there is a requirement of implementation and adaptation of an approach that is more commercial to be able to offer a solution that is capable of fulfilling the demands of the customers.

At the first place, there is a requirement Scrutiny at the back end which is often missed by most of the countries. Because there is a requirement of permission. Marketing is known to be another ineffective also project management is rewarded.

RISK MATRIX:

Risk	Probability	Impact	Rating (P*I)	Risk treatment
Bad publicity	Low (1)	Medium (6)	Medium (6)	Development of strategies that are effective along with the development of communication strategy regarding media liaison
Event Cancellation	Low (1)	Medium (5)	Medium (5)	Careful planning and ongoing liaison along with stakeholders

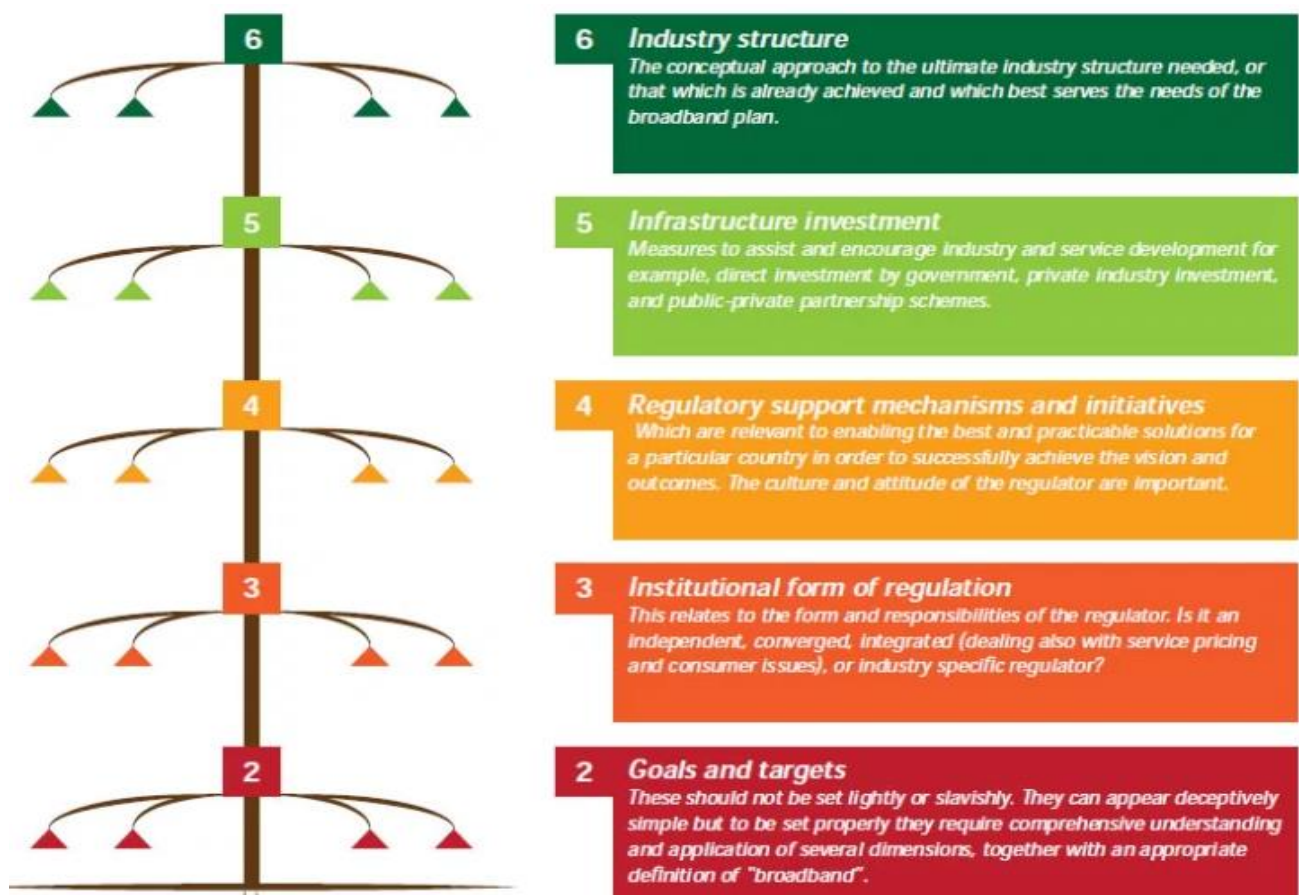
Spectator	Low (1)	High (10)	High (10)	Isolation in terms of tracking from the access of the public.
Injuries				

(LL Parks, 1998)

CHALLENGES:

- Development of a framework that is flexible to be able to control and regulate all the actions which are performed.
- Coping up with the increase in the demands of the consumer.
- Development of a risk plan which is compliant with the present strategies.

REGULATION STRATEGIES FOR THE BROADBAND INDUSTRY:



(HT Liu, 2012)

EXPECTED MONETARY VALUE:

The expected monetary value is based on the assumptions which we made regarding the identified risks.

Risk	Probability	Impact
Failures of the hardware and a server	Probability is 15%	The estimated cost for the maintenance will be \$300
Issues related to dependence related to coding module	The probability of this risk is 8%	It can impact working of the overall system and the maintenance might cost around \$ 500
Issues related to stuck in terms of Procurement	The probability of this risk is 10%	An additional paper work may require but the maintenance cost is estimated to be \$ 100

To calculate the Expected Monetary Value

Risk 1: $15\% * \$ 300 = \$ 45$ (-\$45)

Risk 2: $8\% * \$ 500 = \$ 40$

Risk 3: $10\% * \$ 100 = \$ 10$ (-\$ 10)

It should be noted here that risk 2 here is referring to the opportunity

Now we are adding all the values to total the EMV; $(-45) + 40 + (-10) = -15$

Thus \$ 15 refers to an extra money which is needed to be added into the budget to be able to encounter all the risks.

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