



Master in Project Management

(Risk project Management)

STC Telecom Company in Saudi Arabia

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STC Telecom Company in Saudi Arabia

Introduction

Saudi Telecom Company; It is the main branch of the Saudi STC Group, and the first operator of telecommunications services in Saudi Arabia. The company was established pursuant to Cabinet Resolution No. 171 of September 9, 2002, and Royal Decree No. M / 35 of April 21, 1998, as a Saudi joint stock company in accordance with Cabinet Resolution No. 213 of April 20, 1998, which approved the company's articles of association. In 2003, the company listed 30% of its shares on the Saudi Stock Exchange, in the largest IPO known to the Arab market. 20% of the subscribed shares were allocated to Saudi citizens in their personal capacity, 5% were allocated to the General Organization for Social Insurance, and another 5% to the retirement pension benefit. In 2004, the company lost its monopoly on mobile phone services after it was granted a second license to Etihad Etisalat. In April 2007, its monopoly on fixed-line services ended after a consortium led by Bahrain's Batelco won the second license offered by the government, and the company also had a prepaid card called Sawa, which is popular in Saudi Arabia. In late 2019, the company launched a new identity for it and its digital channels as well as the MY STC application. In 2020, the company launched for the first time in the Kingdom 5G technology (fifth generation) and esim electronic chip, and the names of its branches in Bahrain and Kuwait were changed to stc. Also, last year, it launched its stc pay wallet. STC Pay ¹.

Risk management is the process of measuring and evaluating risks and developing strategies to manage them. These strategies include transferring risks to another party, avoiding them, minimizing their negative effects, and accepting some or all of their consequences (Al Rahahleh, N., Ishaq Bhatti, M., & Najuna Misman, F. 2019) .

Risk, as defined by (ISO / IEC Guide 73), is a link between the probability of an event occurring and the consequences of its occurrence , It focuses on the risks arising from physical or legal causes (for example: natural disasters or fires, accidents, death and lawsuits). On the other hand, financial risk management focuses on those risks that can be managed using financial barter tools. Regardless of the type of risk

¹ <https://www.stc.com.sa/wps/wcm/connect/arabic/individual/individual>

management, all major companies as well as groups and small companies have a dedicated risk management team (Al Rahahleh, N., Ishaq Bhatti, M., & Najuna Misman, F. 2019) .

In the case of ideal risks, a prioritization process follows, so that risks with higher losses and higher likelihood of occurrence are addressed first while risks with lower losses and less likelihood of occurrence are addressed later. (Willumsen, P., Oehmen, J., Stingl, V., & Geraldi, J. , 2019) .

Literature Review

Risk management is defined as the exercise of a systematic selection of cost-effective methods in order to reduce the impact of a particular threat on the organization or organization. It is a process combined with the principle of business continuity (Fan, Y., & Stevenson, M. , 2018) .

It is the process of measuring and assessing risks, and developing strategies to manage them. These strategies include transferring risks to another party, avoiding them, minimizing their negative effects, and accepting some or all of their consequences. As for the types of risk management, they can be classified according to two criteria, as follows (Tupa, J., Simota, J., & Steiner, F. , 2017) :

1. Conventional risk management: Traditional risk management focuses on risks arising from physical or legal causes (for example: natural disasters or fires, accidents, deaths and lawsuits).
2. Financial risk management: It is a form of risk management that focuses on those risks that can be managed using financial barter tools and their primary environment is banks.
3. Optimal risk management: Ideal risk management focuses on prioritization, so that risks with higher losses and higher likelihood of occurrence are treated first, while risks with lower losses and less probability of occurrence are treated later.

Regardless of the type of risk management, all major companies as well as groups and smaller companies have a dedicated risk management team. While risk management is used to avoid losses as much as possible, business continuity planning is in place to address the consequences of remaining risks. Its importance is that some accidents that are unlikely to happen may actually happen if there is sufficient time for them to

happen. Risk management and business continuity planning are two related processes that cannot be separated. The risk management process provides a lot of inputs to the business continuity planning process, such as: (assets, impact assessment, estimated cost ... etc). Therefore, risk management covers large areas important for the business continuity planning process, which goes in its treatment of risks beyond the risk management process (Aven, T., & Renn, O. 2010) .

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 2 month
Mid	next 2-10 months
Far	>10 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
Loss of clients	30%	C	30
Inaccurate revenue forecasting	50%	B	60
Inadequate systems and processes to support new strategies	90%	A	100
Total	190		

EVM calculation:

Risk	Risk Probability (P)	Cost Impact (IC)	Risk Contingency (P*IC)
A	0.3	\$7.500	\$2.250
B	0.5	\$8.400	\$4.200
C	0.9	\$13.000	\$11.700

Discussion

We conclude from this presentation of the current risks and the required safety that the new dimensions of insurance should focus on the following:

1. Development of the idea of commercial insurance from a means of treatment to a means of protection from ordinary dangers and risks of a national and international dimension, because the dangers of the times in the event they occur, their effects are difficult to compensate because their size and extension exceeds the capabilities of the financial insurance bodies. A way to prevent and prevent danger, not just to remove its effects.

2- Further deepening and intensifying the process of creating safety (preventive and remedial) to start from the smallest social cell, the human being, then society, the state and the world, as long as the dangers of the age threaten everyone.

3- Intensifying the use of risk management as an effective method, tool and method for increasing the effectiveness of insurance institutions to produce safety in its various dimensions.

References

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