



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

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Section

Master of Project
Management

18 / 02 / 2021

Date Course Code

(PMG510)

Project Risk Management

Instructions:

Instructor's Name: Eng. Mosaab M. Hamed

رطاخملا عاونأ نيب زيي متلاو فرعتلا ىلع إرداق تحبصأ نوكت نأ ضررتفملا نم نآلا ىتح
تاكشرلا يف رمألا اذه متي فيك ةيؤر نالا كنكمي امك . اھعم لماعتلا ةيفيكو ةفلتخملا
ةقومرمل او ةريبكلا .

ةيلاتلا تاكشرلا نم ةدحاو رايتخاب مق :بجاولا اذه يف

ةيدوعسلا وكمأرأ

يراجتلا يلهألا كنبل

ةيدوعسلا تالاصتالا ةكرش

هذه اھجوت رطاخم 4 يأ نع تحبأ مٹ هالعأ ةروكذملا ثالثل تاكشرلا نم ةدحاو رايتخاب مق
ةكرشلا .

ةيلاتلا ةلئسألا نع ةباجالاب مق رطاخملا هذھ نم رطخ لكل

1. ؟رطخ ھتربتعا اذامل
2. ؟رطخلا اذه عون وھام
3. ؟رطخلا اذه ريثأتو ةوق ىدمام ھعوقو ةلاح يفو ؟رطخلا اذه ةيلامتحا يھام
4. ؟رطخلا اذه عم لماعتلل ةكرشلا هذھ اھعبتت يتلا ةيجيتارتسال وأ ةسايسال يھام
؟ھتراداو

عونلا نم ني تحفص كتباجا زواجتت للأ ىلع ةيذيلجنالا وأ ةيبرعلال ةغلللاب ةباجالا كنكمي **

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قي فوتلاب يتاي نمأ.

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.

Introduction

Aramco is the world's leading petroleum producing and exporting companies. Saudi Arabian economy depends mainly on Aramco's performance. Aramco is a key force in ensuring stability of oil prices in the world in terms of supply, demand and the ability to cover deficits at any time. Being a juggernaut, a large number of factors and influences can pose risks to the leadership management, which can affect the global economy in general and the Saudi economy in particular.

In financial terms, '**Risk**' is the chance that an outcome or investment's actual gains will differ from an expected outcome or return. **Risk** includes the possibility of losing some or all of an original investment.

A few of the risks are listed below, however only four of them will be addressed in detail:

- Demand and Supply
- Economic and political
- Competition
- Operational
- Terrorism, armed conflict and acts of sabotage
- Environmental
- Safety
- Occupational health
- Health and social
- Migration of skilled and professional workers

The four dangers that I will address are as follows:

1. Environmental hazards

Due to the cascading effects, these hazards are considered as catastrophic risk, which are as follows:

1. Affects the environment directly
2. Results in loss of resources
3. Results in loss of time in addressing the problem and investigating
4. Results in loss of brand goodwill and reputation
5. Results in loss of business, especially with environmentally conservative companies
6. Results in penalties and financial fines
7. Results in insurance cost increase
8. Results in legal and governmental accountability

Its very likely to happened and Its high risk, Due to its geographical distribution, scale of operation and the spread of operations including land and marine environment, the impact of risk when it occurs can be catastrophic.

The strategy

Aramco create the environmental protection department where they employed a professional environmental engineers, with the Aid of the spills contingency plan they put in place all control measures to prevent such event from taking place.

2. Safety risks

These risks are related to operations and involve the safety of equipment, processes and personnel. In the event of incidents, such risks can bring catastrophic impacts, which are as follows:

1. Results in loss of revenue
2. Results in loss of time in addressing the problem and investigating
3. Results in loss of business, especially with companies that care about safety, employee health, and work environment safety

4. Results in penalties and financial fines
5. Results in insurance cost increase
6. Results in legal and governmental accountability
7. Cost of health treatment and absenteeism from work
8. Loss of goodwill in the company by workers due to lack of sense of security and safety in the work environment

Its very likely to happened and Its high risk As a multicultural organization with 100000+ employees, the impact of an event under this risk category are classified as catastrophic.

The strategy

Aramco create the health and safety department where they employed a professional safety engineers, with the Aid of the health and safety management system and emergency response plan they put in place all control measures to prevent such event from taking place. Also they maintain the risk assessment procedures and audit system and inspection plan to make sure that all proactive action are working and controlling all kind of hazard.

3. Occupational health risks

1. The spread of dangerous viruses in workplace can lead to pandemics and affect a large number of employees, which can lead to business disruption. For example, the spread of corona virus has had devastating effects on the world economy leading to trillions of dollars in loss and life. The effects are as follows:
 2. May lead to disruption in business continuity
 3. Results in loss of time in addressing the problem and investigating
 4. Results in loss of revenue
 5. Results in insurance cost increase
 6. Cost of health treatment and absenteeism from work
 7. Loss of goodwill in the company by workers due to lack of sense of security and safety in the work environment

8. The high cost of medical insurance for recurring accidents in the work environment.
9. Government agencies such as the Ministry of Health, Interior and Petroleum, against the company may take legal measures.

Its very likely to happened and Its high risk, In the current pandemic situation, the world's oil production is disrupted by 70 percent. This may affect the world political scenario even leading to war break out. Its severity is catastrophic due to its geographical distribution, scale of operation, large number of employees with multiple ethnicity and the spread of operations including land and marine environment, the impact of risk when it occurs can be catastrophic.

The strategy

Aramco create the COVID-19 emergency plan and work with the ministry of health in Saudi Arabia and WHO to prevent the spread of the viruses also to implement all kind of control measures to have a very safe and hygienic working environment by reducing the manpower to 40% and prevent the physical contact even all meeting take place though out Skype or Zoom. Also they maintain the Hazard identification procedures and hazard control process with the aid of regular audit and inspection to make sure that all proactive action are working and controlling all kind of hazard.

4. Risks of migration of skilled and professional workers

The availability of a professional workforce with the required experience and skills is one of the most important resources of Saudi Aramco. To ensure business continuity, it is important to nurture these competencies so that they are not lost to competitors. Because of the great risks and may lose its credibility and its position in the market as a result. Some of the effects are listed below:

1. Business with sensitive and scarce functions may be disrupted
2. Loss of those with expertise who can deal with the urgent changes

3. Risk of loss confidential company information to competitors
4. Risk of staff sense of job instability
5. Loss of confidence from the owners of capital and the company's Supreme Council

It's very likely to happened and Its high risk , The possibility of this risk of losing talents to competitors in other countries, may affect business continuity especially with jobs that rare, sensitive and difficult to replace jobs. In view of the seriousness of these risks and their direct impact on business continuity, Aramco formed a department concerned with risk management, which in turn formed a trained team to manage risks in the event of their occurrence.

The objectives of the risk management team

Since Aramco operates in a volatile environment and depends primarily on supply and demand, which are affected by the political trends of the functions, careful risk management is carried out in three main phases, which are as follows:

1. Risk assessment of the business
2. Take the right decision
3. Risk management

The strategy

Aramco create the motivation system also provide a very active grading system beside the yearly appraisal and clean services system and certification and the employee of the month also the advantage of getting special trips and skills outside of the country where employees will have the benefit of both learning process and pleasure in seeing a new environment and interacting with other professionals in his area of expertise.

Now and in general, with all of these steps, Aramco's Risk Management Department and the Rapid Intervention Team developed plans based on the expected scenarios for each risk

situation, considering all scenarios, and studying the avoidance of the risk or establishing the crisis control in the event of its occurrence. The damage is limited and fully controlled based on a business continuity plan. This means that the company's business remains intact even in the event of a risk. The biggest evidence of the success of this plan is the disruption caused in Abqaiq and Khurais plants simultaneously. In spite of a major setback, the company's business performed undisrupted business without affecting the markets even during the outbreak of the pandemic immediately after that, Aramco was in control of the situation without losing many days of production or export, and the global market remained stable in terms of oil prices and supplies.