Functional Area - Strategic Management

Title	Formulate risk management strategy
Code	108017L6
Description	This unit of competency applies to all Digital Media Technology (DMT) practitioners responsible for formulating risk management strategy for the organisation. Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives. Risk management is the process by which risks are identified, evaluated and controlled. It is important for digital media organisation, with risks exposure greater than normal organisations, to have the right strategy to control and mitigate its risks so to minimise effects on its business. This UoC concentrates on competence of formulating risk management strategy at business level
Level	6
Credit	3

Competency	Performance Requirements
	1. Knowledge for formulating risk management strategy
	
	• Possess good project management skills and capable of formulating business strategies
	• Possess in-depth knowledge of the organisation's mission, vision, business goals and strategies
	• Possess good knowledge of business analysis tools such as SWOT (Strengths, Weaknesses, Opportunities and Threats), PESTLE (Political, Economic, Social, Technological, Legal and Environmental), etc.
	• Possess basic knowledge of industry risk management standards such as: ISO 31000
	
	2. Formulate risk management strategy:
	
	• Be totally familiar with the organisation's overall business strategies to ensure all strategical risks can be identified in its adoption and execution. Key strategical risks include but not limited to the following:
	  ○ **Political** : changes in political control or significant policy changes at national or local level
	  ○ **Economic** : changes in the economic climate leading to, for example, lower employment levels – Internet/mobile/cinema charging fees
	  ○ **Social** : unanticipated effects of changes in demographic, residential or social trends
	  ○ **Technological** : unanticipated technological change might render significant investments obsolete or undermine key assumptions
	  ○ **Legal** : legal change could place significant new obligations on the executive or render particular practices illegal
	  ○ **Environmental** : unexpected adverse environmental impacts of organisation's service delivery
	  ○ **Customers** : unexpected changes in adoption of social network, etc.
	• Determine operational risks, such as but not limited to the following (with example):
	  ○ **Professional** : risks associated with production staff's competence, etc.
	  ○ **Financial** : inadequate financial planning resulting in lack of funding
	  ○ **Security/recoverability** : the organisation assets protected but not hindering access, and if there is a recovery plan
	  ○ **Technological** : over-reliance on one cloud service provider, are there backup plan, etc.
	  ○ **Reputational** : the organisation's reputation and product brand, etc.
	• Establish a risk management team including but not limited to the following responsibilities:

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	o Identification of risks (strategical risks, operational risks, etc.)
	   o Analysing and profiling the risks
	   o Determining actions required to reduce and mitigate the risks
	   o Determining how to monitor and control the risks
	   o Developing and implementing plans as well as production of reports
	 • Develop risk management policies and implementation plan that can convince management team and board to approve adoption
	 • Develop training programmes and procedures to build a risk awareness in the organisation and assign responsibilities/accountabilities
	 • Regularly review and enhance the risk management strategy to fit the business changes
	
	3. Exhibit professionalism
	
	 • Totally committed to ensure the organisation is risk free
	 • Apply industry best practices and standards to develop the organisation risk strategy

Assessment Criteria	The integrated outcome requirements of this UoC are the abilities to: • Develop a comprehensive strategy that can mitigate the organisation's business risks • Guide the risk management team to develop various risks management framework and implementation plans with monitoring and evaluation functions • Develop risk management strategy that can convince management buy-in and promote risks awareness culture in the organisation
Remark	Other generic Risk Management UoCs in the Software Products and Software Services branch: ITSWGS609A - Identify and assess the risk factors related to IT ITSWGS610A - Develop risk mitigation strategies and plans related to IT ITSWGS611A - Review risk factors related to IT, and execute and monitor risk mitigation plans