Risk Management Method

- **Identify** Susceptible Areas
- **Assess** Vulnerability
- **Define** the Risk (likelihood, consequences)
- **Identify Ways to Reduce** Risks
- **Prioritize** Risk Reduction Measures

Principles of Risk Management

The International Organization for Standardization (ISO) identifies the following principles of risk management:

Risk management should:

- Create value – resources expended to mitigate risk should be less than the consequence of inaction
- Be an integral part of organizational processes
- Be part of decision making process
- Explicitly address uncertainty and assumptions
- Be a systematic and structured process
- Be based on the best available information
- Be tailorable
- Take human factors into account
- Be transparent and inclusive
- Be dynamic, iterative and responsive to change
- Be capable of continual improvement and enhancement
- Be continually or periodically re-assessed