

## Recognizing risks and opportunities

Do this "recognizing risks and opportunities" exercise from the perspective of your own company, field of business, or your process of productization.

This tool helps to identify the level of the problems through their probability and impact, which in turn, will help in finding out the impact that these will have on your business on whole.

Fill in the column "drivers" with variables related to your business operations, such as materials, subcontracting etc.

Examples:

	Stable outlook	Negative outlook	Positiivinen outlook
Drivers	Normal situation	Catastrophy/collapse	Big change (compared to the normal situation)
The company's ability to invest	Invests moderately	No resources for investments	Good ability to invest
Responsibility (company values, industry values or competitive advantages)	The demand for responsibility is on the rise	The demand for responsibility is slow	Responsibility is already an absolute value and always expected
Changes in legislation (either local/national level changes or international changes)	No changes in sight	Legislation will make things more difficult, and changes are required in your business operations	Legislation will make it easier to do business
New materials (A change in sight, new innovations)	The availability of the materials remain the same	Weakened availability	Better availability

It is better to have too many drivers than to have too few. During the assessment you will see, whether it is a critical factor for your company. Just by recognizing the critical drivers in your business operations, your company will be better prepared for any actions.

Fill in the drivers before doing the assessment.

Assess and fill in the probability and impact of each outlook in the table. You can use the multiplier numbers (1-4) in the table. In other words, you do not have to write the word “possible”, “unlikely” etc.

Multiplier	Probability	Multiplier	Impact
4	Almost certain	4	Critical
3	Veri likely	3	Significant
2	Possible	2	Moderate
1	Unlikely	1	Small / No impact

Probability and impact go hand in hand and they define the level of criticality and importance.

P r o b a b i l i t y				
	Impact			

After recognizing the risks, you can assess the needed changes and actions in your business operations.