

Safely



SPEAKING

BY RICHARD FROST

Risk management defined – part 7

PREVIOUSLY, we discussed identifying, analyzing, prioritizing and identifying solutions for the risks facing your business, selecting the option or options that will control these risks, and implementing the solution. **The final step of risk management is to review the risk management plan.** A review of its implementation, the buy-in from all levels of the company, the training, and its effectiveness are necessary to ensure its usefulness and to make any necessary changes to the plan itself or its implementation process.

Review the risk management plan

All your time, energy and money could be either wasted or not used effectively unless you review the risk management plan. Future changes or requests for buy-in could be made more difficult if the previous plan is not followed up to ensure its implementation and effectiveness. The risk management plan should be periodically reviewed after its implementation to ensure it is achieving its goals and to identify other risks that either have been controlled or have been created. Some of the questions could be:

- Was it implemented on time and on budget?
- How did the implementation process go?
- Was there buy-in at all levels?
- Are all levels still fully engaged?

Not only is it essential to review the implemented risk management plan on a regular basis, but your business and all its risks should also be reviewed regularly.

- Did the plan do what it was supposed to do?
- Did the plan solve other issues or efficiency problems?
- Did the plan create other issues or efficiency problems?
- Is there a better way of selecting the risk management plan?
- Is there a better way to implement the risk management plan?

Not only is it essential to review the implemented risk management plan on a regular basis, but your business and all its risks should also be reviewed regularly – Step One to Step Six (see archived articles at www.naeda.com). As noted in previous columns, your business changes, your industry changes, and your community changes, which may affect your risks, the options, and the risk management plans that have been implemented to eliminate or control the risk. A process should be set up with scheduled times and assigned duties to ensure it happens. As with most other things, risk management does not have to be done by one person, but one person should coordinate it.

A risk management plan is a living document; it needs to be reviewed and updated on a regular basis. Death, taxes, and change are guaranteed to happen. So, to stay on top of your business and its risks, a regular risk management review should be implemented; then and only then can you make an informed decision that is best for you and your business.

Risk management is not a one-time effort. Identifying risks is a continuous process because risks can change and new ones can arise. At Federated Insurance, we believe loss prevention is a critical component of your Risk Management Program. For more information, contact our Loss Prevention Department at 1-800/665-1934, or visit www.federated.ca. ■

The information provided is intended to be general in nature, and may not apply in your province. The advice of independent legal or other business advisors should be obtained in developing forms and procedures for your business. The recommendations are designed to reduce the risk of loss, but should not be construed as eliminating any risk or loss.

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