

## Session Plan: How does risk affect business?

### Logistics of the session

<b>Title of session</b>	How does risk affect business?
<b>Session objective</b>	To complete a risk assessment using a risk matrix.
<b>Success criteria</b>	<ol style="list-style-type: none"> <li>1. Identify different types of risks.</li> <li>2. Describe how to mitigate risk.</li> <li>3. Explain how insurance can support businesses.</li> </ol>
<b>Resources</b>	<ul style="list-style-type: none"> <li>• PowerPoint: Business Studies – Risk and Business</li> <li>• PDF: Business Studies – Risk and Business (Print 1 copy per student)</li> </ul>

### Plan of activities

Activity	Description of activity	Time
Starter Fill in the gaps	The starter contains two sentences with 5 gaps that the students need to fill. The 5 words used to fill the gaps are provided at the bottom of the screen. Students should write the sentences in their books. Ask a selection of students to provide the answers to the 5 missing words.	5 mins
Success criteria #1 Types of risk	<ol style="list-style-type: none"> <li>1. For this activity, students are provided with 6 different examples of risks in a business. They will need to work out what type of risk each example is characterised as. The 6 types of risk are given. Students can discuss this in pairs and then write the answers in their books. You can then ask 6 different pairs of students to reveal their answers, along with a reason as to why they thought the example was for that type of risk.</li> <li>2. Ask the students what they think the difference is between internal and external risk. Once you have a few answers from the students, you can reveal the definitions which they can write in their books.</li> <li>3. The students will be asked to stand up or sit down if they think a risk is either internal or external, respectively. There are 6 example risks.</li> </ol>	15 mins
Success criteria #2 Mitigating risk	<ol style="list-style-type: none"> <li>1. Explain how risk-taking in business can be either quantifiable (can be measured) or non-quantifiable (cannot be measured).</li> <li>2. Students will be given 8 examples of risk to categorise into quantifiable and unquantifiable risk in small groups or pairs. The extension is to think of any types of insurance for the quantifiable risk.</li> <li>3. Now that students are aware of different types of risk, they will be looking at how to mitigate risk. This activity will be to create a mindmap of ideas for how to mitigate risk in business.</li> <li>4. Describe how making a plan reduces the impact of risks on business and that there are four strategies that can be used: avoidance, reduction, transference and retention. Transference refers to using insurance to cover risks.</li> </ol>	20 mins
Success criteria #3 How can insurance help business?	<p>The Global Claims Review is a report examining developments in corporate insurance claims and highlighting the top causes of loss for companies and other emerging trends to watch. The first slide shows 3 facts that have been highlighted in the most recent review and show the importance of insurance for businesses.</p> <ol style="list-style-type: none"> <li>1. The students are asked to rank the top 10 causes of loss for businesses.</li> <li>2. Introduce the concept of the risk matrix which businesses use to assess risk. The likelihood and consequence are multiplied to determine the level of risk. Students are provided a worksheet to practice completing a risk assessment and discovering which insurance could be used to cover that risk. The extension for this activity is to think of other ways to mitigate the risk.</li> </ol>	20 mins