

# Risk Analysis

## Coaching Questions

### What are some changes to external environment that don't appear related to your business?

- Are there political changes or regulations that could impact your business?
  - Are there new forms of governance?
  - Are there new legislations that offer opportunities or risk?
  - Are there changes in taxes?
- Are there changes in the economy that could impact your business, the industry, or the entire business environment?
  - Business impacts could be that your customers start asking for payment terms or start taking longer to pay you.
  - Industry impact could be with a recession, consumers are less likely to buy as many fashionable clothes.
  - Business environment could be impacted as interest rates could increase and it becomes more expensive to borrow money.
- Are there new social influences that are happening that seem unrelated?
  - Are people buying environment products?
  - Is the middle class growing or shrinking?
  - Are the Millennials or Z Generation buying differently?
- Are there new technologies that could eventually come or be applied to your industry?
  - Are there new apps?
  - Is there a sharing economy component?
  - Can people do online shopping?

## How could these unrelated environmental changes impact your business?

- The more unrelated the change to your industry, the less likely that other people are looking at it. This can more easily turn into a competitive advantage for you or a way that you pivot your business for risk mitigation.
- There is a new emergence of blended niches. Take your industry with another industry, and where they intersect is opportunity. This is also a best practice in idea generation.
- What would you have to do to take advantage of this opportunity? Or protect yourself from this threat?

## Are you in a position to do this?

- Now that you found the niche, how do you act?
- If you are in a position to do this, get your action plan started.
- If you are not in a position, how do you find partners or investors to help you pivot?

## How often do you need to do a risk analysis?

- It is good to do this a minimum of once a year. Within a year a lot can change with technology, politics, the economy, the competition and social changes. Once a year is a minimum proactive thing to do. Plus as a smaller business, being able to pivot based on what you are seeing in the external environment is part of your competitive edge. If you are not doing this, you will fall behind.
- However, you should be doing a risk analysis every time that you see something changing out there. Is the economy in flux? Has there been a change of political leadership? This should be you on high alert.
- In fast-paced and emerging industries, it is important to do this more proactively as there is more change.