## Risk Management

In the food Industry



can save a business its life

can help a food industry business to increase profitability and longterm success.

#### **The Risk**

Supply chain risk: weather, infrastructure, supplier business failure

## Food Industry Risks #1

#### **How to Mitigate the Risk**

- 1. Ensure good relationships
- 2. Ensure good communication
- 3. Business interruption Insurance

### Food Industry Risks #2

#### The Risk

#### **Equipment Breakdown**

#### **How to Mitigate the Risk**

- 1. Good relationship with all equipment suppliers
- 2. Initial training
- 3. Maintenance records kept in a well marked location
- 4. Regular equipment maintenance—on someone's job description
- 5. Regular testing of critical equipment
- 6. Some backup equipment(power failure)
- 7. Business Interruption Insurance

### Food Industry Risk #3

Risk

Spoilage and contamination

**How to Mitigate the risk** 

- 1. Good Manufacturing Practices
- 2. Insurance

### Food Industry Risks #4

Risk

**Food Safety and Recall Risk** 

**How to Mitigate the Risk** 

- 1. HACCP plan rigorously followed
- 2. Continual training for staff
- 3. Tracking and Traceability system

## Food Industry Risk # 5

Computer and internet disruption

- Use passwords
- Data encryption
- Have backup generator for electrical disruption

## The biggest business Risk facing ssfp's:

**UNDERCAPITALIZATION** 

ANTICIPATE
what can go
wrong

**DEVISE SYSTEMS** that minimize threats to the business' viability



Certifications and policy procedures are not the end points---

**MONITOR** 



# Risk Management Process

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Step 1: Identify the **Risk** 

2

Step 2: Analyze the **Risk** 

3

Step 3: Evaluate or Rank the **Risk**  4

Step 4: Treat the **Risk** 

5

Step **5**: Monitor and Review the **Risk**. ...

## There is no zero

You can only reduce the potential to a tolerable risk.

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