

Does Leadership understand the risk of not addressing risk?

Many businesses Ignore Risks and Potential Threats

Why do businesses ignore risks and potential threats? There are many reasons, such as the business is willing to accept specific risks, but the majority will have a negative impact on your business. Responses we have heard from businesses over the years.

- Risks are too expensive to fix and will impact the profitability of the business.
- The fix may have a negative impact on our culture.
- Regulatory compliance may impact the customer and my ability to make a profit.
- Spending money to protect leadership and assets sends a negative message to employees.

What are some of your potential exposures?

- Potential business shutdown for not complying with regulatory issues.
- Safety risks impacting employees and visitors.
- Executive protection and security vulnerability.
- Business interruption due to absence of leadership.
- Vendor Risk Management.
- Failure to prepare for continuity of business resulting from significant events such as natural disasters, economic recession, and pandemics.
- Reputation Risk.
- Business negligence in avoiding risk, compliance, and threat awareness resulting in litigation and unfavorable verdicts. Below are recent examples.

Verdicts in the United States in 2019

Source: TopVerdict

<https://topverdict.com/>

Amount	\$30,000,000.00
Case	Estate of Sledge v. The DCH Health Care Authority, et al.
Type	Medical Malpractice, Professional Malpractice, Wrongful Death, Failure to Treat, Negligent Tort, Vicarious Liability, Respondeat Superior
State	Alabama

Amount	\$325,000,000.00
Case	Olson v. Brenntag North America Inc., et al.
Type	Asbestos Exposure, Failure to Warn, Personal Injury, Product Liability, Toxic Exposure, Defective Product, Talc Exposure, Mesothelioma, Negligent Tort, Strict Liability
State	New York

Michael D. Ness, Business Risk Consulting

Michael@Jekdata.com

2.53.670.2410

Does Leadership understand the risk of not addressing risk? Many businesses Ignore Risks and Potential Threats

Amount	\$8,115,000.00
Case	Rodriguez v. County of Los Angeles
Type	Civil Rights Violation, Hostile Work Environment, Whistleblower Retaliation, Labor & Employment, Intentional Tort, Workplace Harassment, Wrongful Demotion
State	California

Amount	\$13,060,000.00
Case	Estate of Hermenegildo, et al. v. Blunden, et al.
Type	Business Liability, Dangerous Condition, Falling Object, Premises Liability, Wrongful Death, Negligent Maintenance, Failure to Supervise, Negligent Tort

Amount	\$45,000,000.00
Case	Carmichael v. Georgia CVS Pharmacy L.L.C.
Type	Assault & Battery, Dangerous Condition, Failure to Warn, Personal Injury, Premises Liability, Negligent Security, Failure to Maintain, Gunshot Wound, Negligent Tort
State	Georgia

- Cyber Security Risk.

Risks can present themselves in all Business Functions. From cultural challenges, departmental silos, customer driven process improvement while identifying non-value driven processes and the elimination of waste.

What can business do to prepare?

- Develop, maintain, and fund effective continuity of business, security, and emergency preparedness functions (both operational and technical).
- Educate all employees and vendors on company policies and their individual responsibilities.
- Do not ignore regulatory compliance.
- Practice continuous process improvement.
- Business Interruption, Professional Liability, and Errors and Omissions coverage are just a few coverages you should discuss with your insurance carrier or broker.

Does Leadership understand the risk of not addressing risk?

Many businesses Ignore Risks and Potential Threats

- Establish a process on how to predict risk and prepare for uncertainty.
- Retain an experience Risk / Threat consultant such as Michael D. Ness, Business Risk Consulting, to conduct annual assessments on your business. Periodic assessment can track your risk mitigation progress throughout the year and ensure compliance with applicable regulatory governing bodies.