# Examples of Organisational Risks - A Comprehensive List

This comprehensive (but not exhaustive) list categorises and outlines a wide range of risks across business, financial, compliance, operational, and governance domains that organisations may encounter.

## Business

- Incorrect strategic planning
- Pressure from competitors on pricing or market share
- Broad economic challenges
- Local economic downturns
- Political instability or changes
- Outdated technological systems
- Availability of alternative products
- Negative shifts in government policies
- Shrinking industry sector
- Being targeted for acquisition
- Difficulty in securing additional funding
- Failed mergers or acquisitions
- Lack of innovation
- Barriers to Entry: Challenges in entering new markets due to regulations or high entry costs
- Reputation Damage: Negative publicity impacting customer trust and brand reputation
- Misaligned Strategies: Discrepancies between different business units or strategic plans leading to inefficiencies
- Partnership Breakdowns: Problems arising from joint ventures or strategic partnerships
- Intellectual Property Threats: Risk of losing or having proprietary information or patents stolen
- Supply Chain Interruptions: Disruptions in the supply chain affecting manufacturing and distribution

## Financial

- Liquidity concerns
- Exposure to market fluctuations
- Risks to ongoing operations
- Excessive trading activities
- Credit exposure
- Risks from interest rate changes
- Currency fluctuation risks
- Elevated cost of capital
- Improper use of financial resources
- Potential for fraud affecting the company
- Risks of inaccuracies in published financial data
- Failures in accounting systems
- Unrecorded debts
- Inconsistent financial records
- Introduction of malware into IT systems
- Cyberattacks targeting IT infrastructure
- Making decisions based on incomplete or inaccurate information
- Data overload without sufficient analysis
- Failing to meet investor commitments
- Cash Flow Challenges: Unstable or unpredictable cash flows impacting operations
- Investment Hazards: Poor investment choices leading to financial losses
- Debt Management Issues: High debt levels increasing financial risk
- Budget Overruns: Expenses exceeding planned budgets, affecting profitability
- Asset Valuation Errors: Incorrect asset valuations impacting financial statements
- Financial Reporting Issues: Inaccurate or delayed financial reports leading to compliance problems

## Compliance

- Violations of:
  - Corporations Act 2001
  - Stock exchange listing regulations in Australia and other regions
  - ACNC Rules (if charity)
  - Other applicable laws and regulations
- Litigation risks
- GST complications
- Tax fines
- Health and safety hazards
- Environmental issues across all operating regions
- Data Privacy Violations: Non-adherence to data protection regulations like GDPR
- Anti-Money Laundering (AML) Non-Compliance: Failing to meet AML regulatory standards
- Employment Law Breaches: Non-compliance with labor laws and employment regulations
- Export/Import Law Violations: Non-compliance with international trade laws
- Intellectual Property Compliance Issues: Infringing on IP regulations
- Sector-Specific Regulatory Risks: Non-compliance with rules specific to industries such as healthcare or finance

## Operational and Other

- Business processes not aligned with strategic objectives
- Failures in major transformation projects
- Decline in entrepreneurial spirit
- Insufficient raw materials
- Skills shortages
- Natural disasters (e.g., fires, earthquakes)
- Inability to develop and utilise intangible assets
- Loss of intangible assets
- Confidentiality breaches
- Physical asset losses
- Absence of business continuity plans
- Succession planning issues
- Loss of key staff
- Challenges in reducing operational costs
- Imposed strict contractual terms by major clients
- Dependence on single or key suppliers or customers
- Failures in launching new products or services
- Subpar service quality
- Inability to meet customer expectations
- Quality control issues
- Insufficient order volume
- Failures in major projects
- Loss of important contracts
- Inability to leverage the internet effectively
- Outsourcing provider failures
- Labour strikes or industrial actions
- Failures in technology-related projects
- Low employee motivation or productivity
- Challenges in implementing organisational changes
- Inefficient document processing
- Poor brand management practices
- Product liability issues
- Ineffective management processes
- Integrity issues within the business
- Other factors leading to reputational harm
- Operational Inefficiency: Processes that result in wasted time or resources
- Technology Malfunctions: Failures or breakdowns of critical systems and infrastructure
- Vendor Dependability: Reliance on unreliable suppliers impacting operations
- Inventory Control Issues: Overstocking or stockouts disrupting business
- Logistics and Distribution Challenges: Problems in the distribution network affecting delivery timelines
- Workforce Management Issues: High employee turnover or inadequate training affecting productivity

- Health and Safety Incidents: Accidents or unsafe conditions causing operational halts
- Environmental Catastrophes: Events like floods or hurricanes disrupting operations
- Compliance in Operations: Failure to meet operational regulations and standards
- CRM Failures: Poor management of customer relationships affecting retention
- Project Management Challenges: Delays, budget overruns, or failures in executing projects
- Stagnation in Innovation: Lack of new ideas or improvements hindering growth
- Resource Allocation Problems: Misallocation of resources causing inefficiencies
- Scalability Challenges: Inability to scale operations in response to growth
- Dependence on Legacy Systems: Reliance on outdated systems limiting operational flexibility
- Complex Supply Chains: Increased complexity making supply chains more vulnerable to disruptions
- Rising Operational Costs: Increased costs impacting profitability and sustainability

# Governance and Board-Level Risks

- Board Diversity Shortcomings: Lack of diversity on the board limiting perspectives and introducing biases in decision-making
- Weak Governance Structures: Inadequate governance frameworks failing to provide proper oversight and accountability
- Conflicts of Interest: Board members having interests that conflict with the organisation's best interests, resulting in biassed decisions
- Ineffective Board Decision-Making: Poor decision-making processes within the board leading to suboptimal strategic choices
- Lack of Board Expertise: Board members not possessing the necessary skills or knowledge to effectively guide the organisation
- High Board Member Turnover: Frequent changes in board membership causing instability and loss of institutional knowledge
- Failure to Uphold Fiduciary Duties: Board members not meeting their legal and ethical responsibilities, risking legal repercussions and loss of trust
- Inadequate Oversight: Board's inability to effectively monitor and guide management, leading to operational and strategic failures
- Absence of Strategic Vision: Board not providing a clear strategic direction, resulting in unclear organisational goals and priorities
- Board Disengagement: Board members not actively participating or contributing, reducing the board's effectiveness
- Poor Board-Management Communication: Ineffective communication channels causing misunderstandings and misaligned objectives
- Ethical Misconduct by Board Members: Unethical behaviour by board members harming the organisation's reputation and trustworthiness
- Lack of Succession Planning for Board Leadership: Absence of planning for board leadership transitions, leading to leadership gaps and continuity issues
- Limited Board Performance Evaluation: Lack of regular assessments of board performance, preventing improvements and accountability
- Overstepping Governance Roles: Board members interfering excessively in day-to-day management, disrupting operational efficiency
- Insufficient Board Training and Development: Inadequate training for board members, limiting their ability to perform effectively