Business Risk Management Handbook

A sustainable approach

Linda Spedding
Adam Rose
### Chapter 6  Risk and corporate organisational areas: an overview 103
- The choice of vehicle and structure and liability in business 104
- Risk management 106
- Evolving board responsibilities 107
- The English legal framework 107
- Corporate manslaughter: a case study in risk 108
- The business vehicle 109
- The limited liability company 110
- The Limited Liability Partnerships Act 112
- Fiscal transparency 114
- Key features of a partnership 115
- The sole trader (the one man band) 117
- Charities: issues of transparency 118
- Accountability and corporate giving 121
- Chapter summary 123

### Part B  Overview of the Economic Aspects of Business Risks 125

#### Chapter 7  Economic crime, bribery and corruption 127
- The international framework 132
- An introduction to the business risks 132
- Surveys and case studies 134
- International case study 137
- The current situation: tackling international fraud and money laundering 142
- Some solutions relevant to risk management 143
- Corporate identity theft: the approach in the UK 147
- Economic crime, transparency, openness and ethics and small business 150
- Governance and CSR: an ethical business opportunity for SMEs 154
- The opportunity for ethical business strategies 155
- Company codes 157
- Chapter summary 158

#### Chapter 8  Business interruption and risk management 161
- Business interruption and recovery 162
- Barriers to developing contingency plans 165
- Insolvency and meaning 169
- Business continuity and operational risk management 171
- The evolution of risk management in practice 172
- Crisis management – a view from the US 176
- Managing an environmental, health and safety crisis 176
- Preventing an environmental, health and safety crisis 176
- How crisis leads to liability 182
- The public relations trap 183
- The crisis management plan 183
### Chapter 9  Shareholder value and reputational risk

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>200</td>
</tr>
<tr>
<td>Brand protection</td>
<td>202</td>
</tr>
<tr>
<td>Corporate governance</td>
<td>204</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>206</td>
</tr>
<tr>
<td>Reputational risk</td>
<td>208</td>
</tr>
<tr>
<td>A SERM stakeholder reputation audit</td>
<td>211</td>
</tr>
<tr>
<td>Stakeholder risk analysis</td>
<td>215</td>
</tr>
<tr>
<td>Stakeholder review</td>
<td>216</td>
</tr>
<tr>
<td>Chapter summary</td>
<td>226</td>
</tr>
</tbody>
</table>

### Chapter 10  Corporate power, business and marketing risks

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestrained use of corporate power risks</td>
<td>230</td>
</tr>
<tr>
<td>Adverse business practices risk</td>
<td>233</td>
</tr>
<tr>
<td>Adverse marketing practices risk</td>
<td>239</td>
</tr>
</tbody>
</table>

### Chapter 11  Information technology (IT) and e-commerce: issues of risk management and corporate governance

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of new technology risk</td>
<td>248</td>
</tr>
<tr>
<td>Risk management</td>
<td>250</td>
</tr>
<tr>
<td>New technology risk case studies</td>
<td>251</td>
</tr>
<tr>
<td>Managing liability issues</td>
<td>254</td>
</tr>
<tr>
<td>Consumer interests</td>
<td>255</td>
</tr>
<tr>
<td>Evidential issues</td>
<td>256</td>
</tr>
<tr>
<td>Design of a risk management framework</td>
<td>256</td>
</tr>
<tr>
<td>Business intelligence</td>
<td>257</td>
</tr>
<tr>
<td>Intellectual assets</td>
<td>258</td>
</tr>
<tr>
<td>Ongoing risks</td>
<td>260</td>
</tr>
<tr>
<td>Technology services in internet commerce</td>
<td>261</td>
</tr>
<tr>
<td>Nature of technology risks in internet commerce</td>
<td>262</td>
</tr>
<tr>
<td>Legal risk issues in internet commerce</td>
<td>263</td>
</tr>
<tr>
<td>Managing legal risk issues in internet commerce</td>
<td>263</td>
</tr>
<tr>
<td>Compliance relating to business continuity</td>
<td>264</td>
</tr>
<tr>
<td>Relationship with technology providers</td>
<td>265</td>
</tr>
</tbody>
</table>

### Part C  Overview of the Social Aspects of Business Risks

### Chapter 12  Social and business ethic risk overview

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>The social aspects of business risk</td>
<td>272</td>
</tr>
<tr>
<td>The business context</td>
<td>274</td>
</tr>
<tr>
<td>Social and ethical risks and trends</td>
<td>274</td>
</tr>
<tr>
<td>Risk management best practice</td>
<td>279</td>
</tr>
</tbody>
</table>
Health and safety risk 378
Categories of health and safety risk 378
A sustainable health and safety risk management system 396

Chapter 17 Health and safety of stakeholders and customers 401
External health risks to customers and the public 402
External safety issues: general public and customers 408
Analysis of historical health and safety liability risks 412
Risk case study – emerging food health and safety issues by Raj Patel 418
Bioterrorism – a real threat to food supplies and public health by Vijay Sardana 425

Part D Overview of the Environmental Aspects of Business Risk 433
Chapter 18 Environmental risk management 435
Environmental due diligence and risk management 436
The new environmental environment 437
Regulatory approaches 440
Environmental risks and trends 443
Risk management best practice 451
Chapter summary 457

Chapter 19 Aspects of environmental risk 459
Risk analysis 460
An overview of scale of the risk 461
Categories of environmental risks 462
Environmental risk overview by sector 463
General environmental risk management techniques 464
Analysis of environmental risk 464
Chapter summary 512

Part E Case Studies of Business Risks 515
Chapter 20 Climate change – air pollution risk 517
The issue 518
A review of the main trends 520
The scale of the problem 523
The causes of greenhouse gas air pollution 524
Risks resulting from air pollution 524
Risk management 525
Risk management case studies 527
A business opportunity? 528
Carbon finance 529
The business opportunity from carbon trading 530
Bibliography, references and websites 637
Glossary of terms 653

Appendices:
A. About SERM 667
B. SERM rating model definitions 669
C. SERM risk analysis methodology in brief 675
D. SERM sample report methodology 685
E. Sectors ranked by risk 691
F. Institute of Risk Management – Business Continuity and Crisis Management syllabus 693
G. CBC framework for corporate governance for SMEs 701
H. OECD policy framework for investment 705
I. Transaction due diligence documentation 709

Index 715