How To

Various risks and hazards have different severities and likelihood of occurring. Consider the different hazards in the previous page and use the risk assessment matrix below to assess the potential hazards to your business.

Likelihood	Very Likely	Medium	High	High	Extreme
	Likely			High	High
	Unlikely	Low	Medium	Medium	High
	Very Unlikely	Low	Low		Medium
		Insignificant	Minor	Serious	Major
Severity					

RISK LEVEL	SCORE
Extreme	16
High	8 - 12
Medium	3 - 6
Low	1 - 2

VA	ALUE	LIKELIHOOD	DESCRIPTION
	4	Very likely	Very likely to occur in the foreseeable future
;	3	Likely	Likely to occur in the foreseeable future
:	2	Unlikely	Not likely to occur in the foreseeable future
	1	Very unlikely	Will only occur in exceptional circumstances
	3 2 1	Unlikely	Not likely to occur in the foreseeable future

VALUE	SEVERITY	IMPACT ON KEY BUSINESS FUNCATIONS & INFRASTRUCTURE	FINANCIAL IMPACT	RECOVERY TIME
4	Major	Loss of key business functions and extensive damage to infrastructure	Major	1+ month
3	Serious	Significant impact on key business functions and extensive damage to infrastructure		1+ week
2	Minor	Minimal Impact on key business functions and extensive damage to infrastructure	Limited	1 - 3 days
1	Insignificant Negligible impact on key business functions and extensive damage to infrastructure		None	Immediate

To calculate the risk level, multiply the hazard's likelihood value by the severity value (likelihood x severity = risk level). Prioritize your planning based on the risk value.



## **Risk Matrix**



HAZARD	RISK LEVEL	PLANNING MEASURES	
Pizza Shop Power Outage	High	Backup generator	

