



COFFEEVILLE

ABN: 300000000

3216 Collins Street

Melbourne VIC 3000

W: coffeeville.com.au

Risk Management Strategy & Plan

CoffeeVille Risk Management Strategy Plan

Introduction

CoffeeVille recognises that risk management is an essential component of good management practice and is committed to the proactive management of risks across the organisation. The strategy is designed to:

- identify, evaluate, control and manage risks
- ensure potential threats and opportunities are identified and managed
- inform store management, partners and staff members about their roles, responsibilities and reporting procedures with regards to risk management
- ensure risk management is an integral part of planning at all levels of the organisation.

Guiding Principles

CoffeeVille is committed to achieving its vision, business objectives and quality objectives. This will be achieved through the proactive management of risk at all levels of the organisation. CoffeeVille acknowledges that embracing innovative ideas and practices carries with it risks, but that these are identifiable and measurable and therefore capable of being subject to realistic risk mitigation processes.

Responsibility and Authority

Store managers/partners have responsibility for ensuring that risk management is in place.

Managers/partners have the responsibility of reviewing the Risk Action Plan on a monthly basis.

Staff support and implement policies approved by the partners.

Key risk indicators will be identified, closely monitored and action taken where necessary, by all employees of CoffeeVille.

Risk Management Framework

This framework encompasses a number of elements that together facilitate an effective and efficient operation, enabling CoffeeVille to respond to a variety of operational, financial, commercial and strategic risks. These elements include:

- Policies and procedures: A series of policies underpin the internal control process.
- Reporting: Decisions to rectify problems are made at regular meetings of the partners and store management.
- Business planning and budgeting: The business planning and budgeting process is used to set objectives, agree on action plans and allocate resources. Progress towards meeting business plan objectives is monitored regularly by the partners. Contingency planning is undertaken as required
- Risk management review: The partners are required to report monthly
- External audit: The final audit of financial statements is controlled by an external chartered accountant who provides feedback to the partners.

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Definitions

Risks are identified on a scale of likelihood of occurring in the next 12 months and assigned an impact or consequence of the risk as high, medium or low. High includes either a significant shortfall of around 40% in achieving budget or a significant reduction in ability to function. Medium includes either a shortfall of budget of between 10% and 20% or some reduction in function, and low indicates minor reductions in achieving budget or minimal reduction in performance

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Risk Management Action Plan

Risk	Assess Risk	Controls	Monitoring	Timelines	Responsible
Problems generating visibility.	low	Continuous implementation of marketing strategy.	Continuous monitoring of foot traffic/revenue. Continuous monitoring of market/marketing research.	Monthly	Rufus Belcastran/ Elma Belcastran
Aggressive sales tactics by competitors.	high	Continuous implementation of marketing strategy to highlight key points of difference between us and competitors. Increased frequency of promotional campaigns. Selective discounting	Continuous monitoring of competitors campaigns.	Monthly	Rufus Belcastran/ Elma Belcastran
Difficulty sourcing or training skilled and experienced staff.	medium	Targeted advertising in trade magazines and online. Promotional focus on training and development opportunities. Regular training for existing staff. Investigation of competitor wages and seek to match or better if viable from budgetary perspective.		Monthly	Rufus Belcastran/ Elma Belcastran

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Risk	Assess Risk	Controls	Monitoring	Timelines	Responsible
Emergence of a competitor within very close proximity.	high	Continuous implementation of marketing strategy to highlight key points of difference between us and competitors. Increased frequency of promotional campaigns. Selective discounting. Adjustment of marketing strategy to ensure differentiation and appropriate positioning of CoffeeVille in order to compete effectively.	Continuous monitoring of competitors campaigns.	Monthly	Rufus Belcastran/ Elma Belcastran
Wastage from poor inventory maintenance.	high	Continuous monitoring. Daily contact with suppliers.	Daily monitoring and anticipation of demand.	Daily	Rufus Belcastran