

Definition of Risk Management plus 4 Risk Strategies

A **Risk** is "an uncertain event or condition that, if it occurs, has a positive or negative effect on a project's (Agritourism Business) objectives."

A **Risk Management Plan** is a document that a project manager (Agritourism Business Owner) prepares to foresee risks, estimate impacts and define responses to issues.

Most critically, risk management plans include a **Risk Strategy**.

Broadly speaking, there are four potential strategies (Each can pose numerous variations.)

Businesses may choose to:

- **Avoid Risk** — Change plans to circumvent the problem.
- **Control/Mitigate Risk** — Reduces impact or likelihood (or both) through intermediate steps.
- **Accept Risk** — Take the chance of negative impact;
- **Transfer Risk** — Outsource risk (or a portion of the risk - *Share risk*) to third party/ies that can manage the outcome. This is done e.g. financially through insurance contracts or hedging transactions, or operationally through outsourcing an activity.

For our discussion today, we are going to look at managing risks like the layers of an onion. The more layers you intentionally create to protect yourself, your business, your employees and your guests the better off you are.

