

## DIPLOMA IN LAW ENFORCEMENT

# CHAPTER 2: THE IMPORTANCE RISK MANAGEMENT

DLE 2163: Security Risk Management

# LEARNING OUTCOME:

**UPON COMPLETION OF THE SYLLABUS TOPICS, STUDENTS  
SHOULD BE ABLE TO**

- Define risk management
- Describe the good risk management process
- Identify the purposes of risk management
- Describe the benefits of risk management



# DEFINITION OF RISK MANAGEMENT

- Risk management is a systematic approach to identify, assess, and understand risk in order to guide further appropriate management decisions and actions.  
(Mañez et al., 2016)



## Proactive vs. Reactive Risk Management

### PROACTIVE



### REACTIVE



# PROACTIVE VS REACTIVE RISK MANAGEMENT

## Proactive

- Pre-disaster activities associated with reducing risk
- Developing mitigation strategies, spreading awareness, etc.

## Reactive

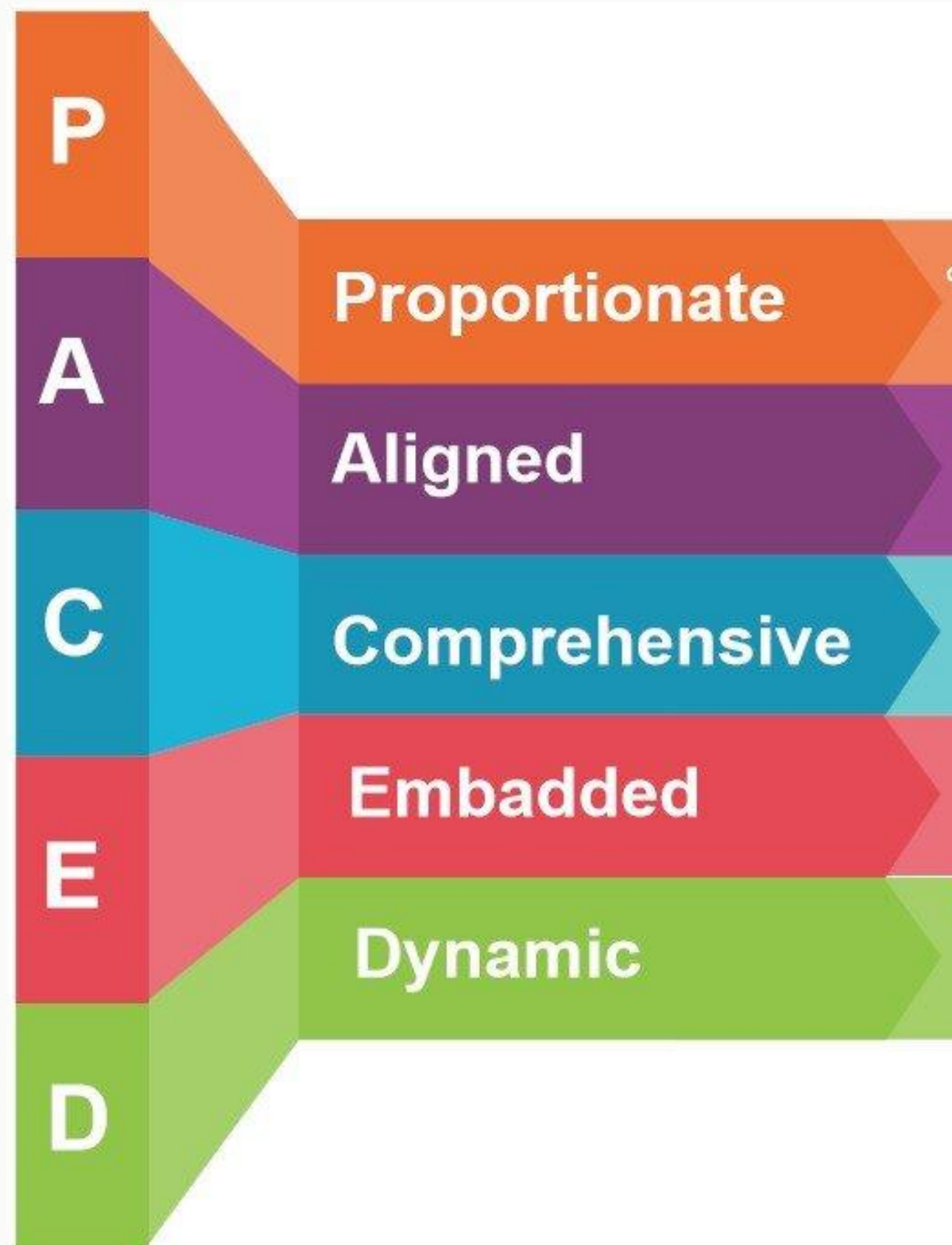
- Post-disaster activities associated with reducing impacts
- Emergency relief, reconstruction, etc.



# GOOD RISK MANAGEMENT PROCESS

In order to be successful, the risk management initiative should be:

- P- Proportionate
- A - Aligned
- C - Comprehensive
- E - Embedded
- D - Dynamic



# GOOD RISK MANAGEMENT PROCESS

- **Proportionate** – the effort put into risk management should be appropriate to the level of risk that the organization faces.
- **Aligned** – Risk management activities should be aligned with other activities within the organization.
- **Comprehensive** – Risk management initiative covers all the aspects of the organization and all the risks that it faces.



# GOOD RISK MANAGEMENT PROCESS

- **Embedded** – Risk management activities within the organization follow the procedure and standard.
- **Dynamic** – risk management activities should be dynamic and responsive to the changing business environment faced by the organization.



# PURPOSE OF RISK MANAGEMENT IN BUSINESS

## 1. PROTECTS ASSETS AND REPUTATION

- Prevents losses from theft, cyberattacks, disasters, etc.
- Preserves brand trust through proactive response to threats
- Real-world example: Data breach vs. well-prepared company response





# PURPOSE OF RISK MANAGEMENT IN BUSINESS

## 2. ENSURES BUSINESS CONTINUITY

- Keeps operations running during disruptions (e.g., pandemics, power outages)
- Business Continuity and Disaster Recovery Plans

Example: How airlines or banks handle IT outages

## WHAT IS A BUSINESS CONTINUITY PLAN (BCP)?



# PURPOSE OF RISK MANAGEMENT IN BUSINESS

## 3. SUPPORTS BETTER DECISION-MAKING

- Enables informed strategic and operational choices
- Risk-aware decisions can prevent overexposure
- Tools: Risk assessments, heat maps, simulations



# PURPOSE OF RISK MANAGEMENT IN BUSINESS

## 4. ENSURES COMPLIANCE WITH LAWS AND REGULATIONS

- Avoid fines, penalties, and reputational harm
- Helps organizations stay within legal frameworks
- Reduces audit and regulatory risks





# PURPOSE OF RISK MANAGEMENT IN BUSINESS

## 5. ENHANCES ORGANIZATIONAL RESILIENCE

- Builds the capacity to adapt and thrive under stress
- Integrates risk thinking into culture and strategy
- Anticipates future challenges

### Organizational Resilience Layers



# PURPOSE OF RISK MANAGEMENT IN BUSINESS

## 6. COMPETITIVE ADVANTAGE

- Companies that manage risk well outperform those that don't
- Risk-savvy companies innovate confidently and gain market trust
- Risk transparency attracts investors and partners

# PURPOSE OF RISK MANAGEMENT IN LAW ENFORCEMENT

- Enhances public and officer safety
- Prevents legal and reputational damage
- Prepares for emergencies and crises
- Ensures compliance with policies and regulations





# BENEFITS OF RISK MANAGEMENT

## 1. Loss Prevention

- Helps identify and mitigate potential threats before they cause damage.
- Reduces the likelihood of incidents such as theft, fraud, cyberattacks, or operational failure.

## Benefits of **Risk** Management



# BENEFITS OF RISK MANAGEMENT

## 2. Improves Decision-Making

- Provides data and risk analysis to support informed decisions.
- Reduces risk and uncertainty in planning and operations.

## Benefits of **Risk** Management



# BENEFITS OF RISK MANAGEMENT

## 3. Enhances Operational Efficiency

- Streamlines processes by addressing vulnerabilities early.
- Reduces disruptions and downtime.

## Benefits of **Risk** Management





# BENEFITS OF RISK MANAGEMENT

## 4. Ensures Legal and Regulatory Compliance

- Helps meet laws, regulations, and industry standards.
- Avoids legal penalties, fines, and reputational damage.

## Benefits of **Risk** Management



# BENEFITS OF RISK MANAGEMENT

## 5. Builds Public Trust and Confidence

- Demonstrates accountability and professionalism.
- In law enforcement, managing risk maintains public safety and confidence.

## Benefits of **Risk** Management



# BENEFITS OF RISK MANAGEMENT

## 6. Supports Organizational Reputation

- Avoids crises that damage public image.
- Builds a culture of responsibility and preparedness.

## Benefits of **Risk** Management





# BENEFITS OF RISK MANAGEMENT

## 7. Facilitates Business Continuity

- Plans for emergencies and unexpected events.
- Ensures quick recovery from incidents.

## Benefits of **Risk** Management



THANK YOU