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# Risk Management (FIN/RMI 314) City as Classroom Project Report

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# Classroom Project

## Using the City and Region as an Instructional Resource



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### **Course Description**

The nature of risk management and the role of the risk manager in both profit and not-for-profit business and governmental organizations are explored in FIN/RMI 314 – *Risk Management*. A decision framework for risk management choices is developed. Consideration is given to how risk management techniques impact shareholder value with emphasis placed on cash flow management. Application of principles is reinforced through in- and out-of-class assignments. Financial management techniques are used to evaluate alternative methods of handling risk. Students are expected to become informed about current issues in risk management through subscriptions to and use of on-line resources.

### **Outcomes**

Students successfully performed a risk assessment with an individually developed assessment tool on a local company with some attention given to the organization's efforts with regard to the triple bottom line - profits, planet, and people. Findings varied with some companies striving to achieve success in all three areas; some companies however fell short of attainment. Students were able to become more knowledgeable about business models and financial performance of local firms

### **Project Description**

The students took on the role of risk manager to assess a local company, which is hypothetically being considered as a merger candidate. Working in groups, the students collected operational and financial data on their selected company and did a risk assessment. Students were required to create their own risk assessment tool which allowed them to evaluate the risks that most concerned them and those risks that offer an opportunity for growth.

Students also assessed the firm's efforts in achieving success financially, environmentally, and in their relationship with all stakeholders (triple bottom line).

A written report and oral presentation were required.

This project incorporated established learning goals for the course.

## **Lesson(s) Learned**

The students were able to see how a business organization can become more environmentally friendly, for example. Some firms have used advances in science and other technology to strive for success. Students clearly saw some innovation in how a firm can achieve positive triple bottom line results. One disappointment is that the market price of each firm's stock did not necessarily reflect the firm's efforts in pursuit of triple bottom line. However, it was stressed that the triple bottom line is a long-term goal for each firm.

## **Student Feedback/ Comments**

Students were interested to learn about the operational and financial performance of local companies, especially related to the triple bottom line. Several students subsequently interviewed for an internship with one of the companies and were happy to see that their research was useful outside the classroom.