

**There are many ways a company may assess the risks that they may be exposed to. This is just one that used some mathematical combinations to aid in the ranking for a Disaster Recovery Plan.**

**Sample - Risk Assessment Form**

To plan for recovery you must understand what risks threaten your organization and employees.

This assessment checklist will guide you through identifying and rating these risks. You can then focus mitigation efforts on risks with higher *importance*, which is calculated by multiplying the *probability* (increasing 1 to 5) and *impact* (increasing 1 to 5) numbers. Use the blank rows to write in any other threats particular to your organization. You may consider risks to your supply chain in a separate checklist, so focus only on threats directly to your business and employees.

Risk	Importance	Probability	Impact	Comments
EXAMPLE: meteor strike to building	Probability	1	5	No reasonable mitigation techniques. Ignore.
	Impact	5		
EXAMPLE: transformer hit by lightning; power out for one week	Probability	2	6	Install transfer switch to allow generator power
	Impact	3		
Power outage: consider whether your grid is a priority for utilities to restore quickly	Probability			
	Impact			
Lost access to building: due to pest infestation quarantine, crime scene, etc.	Probability			
	Impact			
Critical equipment failure: examples are email server, key file server, heat or A/C	Probability			
	Impact			
Phone/Internet outage: cut cable, phone company power loss, phone server down	Probability			
	Impact			
*Fire: wildfires, nearby building fires, and chemical fires are possible sources	Probability			
	Impact			
*Tornado: and other high winds. Impact increased if building is not storm-proof	Probability			
	Impact			
*Flood: may represent regional flooding from coast or rivers, or pipe bursts/leaks	Probability			
	Impact			
*Hurricane/seasonal storms: Ice storms represent similar risk for other regions	Probability			
	Impact			
*Earthquake: weigh supply chain effects, not just your own building	Probability			
	Impact			
Employee absenteeism: those with unique skills or special needs for family	Probability			
	Impact			
Mass absenteeism: pandemic or transportation strike/outage are causes	Probability			
	Impact			
Explosion/Spill: heightened risk if near highway, railroad, airport, chemical plant	Probability			
	Impact			
Terrorism: communications and transport likely to cause secondary challenges	Probability			
	Impact			
	Probability			
	Impact			
	Probability			
	Impact			

The following two forms are two more ways to numerically rank your risks. Use whatever form seems the most useful to you.

Risk Assessment Table

(1) Asset or Operation at Risk	(2) Hazard	(3) Scenario (Location, Timing, Magnitude)	(4) Opportunities for Prevention or Mitigation	(5) Probability (L, M, H)	Impacts with Existing Mitigation (L, M, H)					(11) Overall Hazard Rating
					(6) People	(7) Property	(8) Operations	(9) Environment	(10) Entity	

Risk Assessment Table

INSTRUCTIONS

**Column 1:** Compile a list of assets (people, facilities, machinery, equipment, raw materials, finished goods, information technology, etc.) in the left column.

**Column 2:** For each asset, list hazards (review the "Risk Assessment" page from Ready Business) that could cause an impact. Since multiple hazards could impact each asset, you will probably need more than one row for each asset. You can group assets together as necessary to reduce the total number of rows, but use a separate row to assess those assets that are highly valued or critical.

**Column 3:** For each hazard consider both high probability/low impact scenarios and low probability/high impact scenarios.

**Column 4:** As you assess potential impacts, identify any vulnerabilities or weaknesses in the asset that would make it susceptible to loss. These vulnerabilities are opportunities for hazard prevention or risk mitigation. Record opportunities for prevention and mitigation in column 4.

**Column 5:** Estimate the probability that the scenarios will occur on a scale of "L" for low, "M" for medium and "H" for high.

**Columns 6-10:** Analyze the potential impact of the hazard scenario in columns 6 - 10. Rate impacts "L" for low, "M" for medium and "H" for high.

**Column 8:** Information from the business impact analysis should be used to rate the impact on "Operations."

**Column 10:** The "entity" column is used to estimate potential financial, regulatory, contractual, and brand/image/reputation impacts.

**Column 11:** The "Overall Hazard Rating" is a two-letter combination of the rating for "probability of occurrence" (column 5) and the highest rating in columns 6 – 10 (impacts on people, property, operations, environment, and entity).

**Carefully review scenarios with potential impacts rated as "moderate" or "high."** Consider whether action can be taken to prevent the scenario or to reduce the potential impacts.

