Fold each printed sheet in half lengthwise. The left side of the document will list the term and the right side will list the definition. Tape or staple the open edges of your flashcards. Cut out your flashcards on the solid lines indicated and fold them on the dotted lines.

Module 7: Section A: Risk Management and Supply Chain Risks

Term

supply chain risk

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Definition

The variety of possible events and their outcomes that could have a negative effect on the flow of goods, services, funds, or information resulting in some level of quantitative or qualitative loss for the supply chain.

Module 7: Section A: Risk Management and Supply Chain Risks

Term

risk management

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Definition

The identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

Module 7: Section A: Risk Management and Supply Chain Risks

Term

risk appetite

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Definition

Amount and type of risk that an organization is willing to pursue or retain.

Module 7: Section A: Risk Management and Supply Chain Risks

Term

risk tolerance

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Definition

An organization's or stakeholder's readiness to accept a threat or potential negative outcome in order to achieve its objectives.

Module 7: Section A: Risk Management and Supply Chain Risks

Term

ISO 31000

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Definition

A standard adopted by the International Organization for Standardization that outlines principles and a set of guidelines to manage risk in any endeavor. The standard includes guidelines for understanding risk, developing a risk management policy, integrating risk management into organizational processes (including accountability and responsibility), and establishing internal and external risk communication processes. [This] is not a management system standard and is not intended or appropriate for certification purposes or regulatory or contractual use.

Module 7: Section A: Risk Management and Supply Chain Risks

Term

ISO 73

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Definition

Provides the definitions of generic terms related to risk management. It aims to encourage a mutual and consistent understanding of, and a coherent approach to, the description of activities relating to the management of risk, and the use of uniform risk management terminology in processes and frameworks dealing with the management of risk.

Module 7: Section A: Risk Management and Supply Chain Risks

Term

risk register

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Definition

A report that has summary information on qualitative risk analysis, quantitative risk analysis, and risk response planning. This register contains all identified risks and associated details.

Module 7: Section B: Risk Analysis and Response

Term

risk category

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Definition

A cluster of risk causes with a label such as external, environmental, technical, or organizational.

Module 7: Section B: Risk Analysis and Response

Term

accuracy

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Definition

The degree of freedom from error or the degree of conformity to a standard. Accuracy is different from precision. For example, four-significant-digit numbers are less precise than six-significant-digit numbers; however, a properly computed four-significant-digit number might be more accurate than an improperly computed six-significant-digit number.

Module 7: Section B: Risk Analysis and Response

Term

data integrity

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Definition

Assurance that data accurately reflects the environment it is representing.

Module 7: Section B: Risk Analysis and Response

Term

sensitivity analysis

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Definition

A technique for determining how much an expected outcome or result will change in response to a given change in an input variable. For example, given a projected level of resources, determining the effect on net income if variable costs of production increased 20 percent.

Module 7: Section B: Risk Analysis and Response

Term

simulation

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Definition

1) The technique of using representative or artificial data to reproduce in a model various conditions that are likely to occur in the actual performance of a system. Frequently used to test the behavior of a system under different operating policies. 2) Within MRP II, using the operational data to perform what-if evaluations of alternative plans to answer the question, "Can we do it?" If yes, the simulation can then be run in the financial mode to help answer the question, "Do we really want to?" See: what-if analysis.

Module 7: Section B: Risk Analysis and Response

Term

Monte Carlo simulation

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Definition

A subset of digital simulation models based on random or stochastic processes.

Module 7: Section B: Risk Analysis and Response

Term

risk acceptance

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Definition

A decision to take no action to deal with a risk or an inability to format a plan to deal with the risk.

Module 7: Section B: Risk Analysis and Response

Term

risk avoidance

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Definition

Changing a plan to eliminate a risk or to protect plan objectives from its impact.

Module 7: Section B: Risk Analysis and Response

Term

risk response plan

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Definition

A document defining known risks including description, cause, likelihood, costs, and proposed responses. It also identifies current status on each risk.

Module 7: Section B: Risk Analysis and Response

Term

risk response planning

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Definition

The process of developing a plan to avoid risks and to mitigate the effect of those that cannot be avoided.

Module 7: Section B: Risk Analysis and Response

Term

ISO 28000

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Definition

An international standard that specifies the requirements for a security management system, including those aspects critical to security assurance of the supply chain.

Module 7: Section B: Risk Analysis and Response

Term

business continuity management system (BCMS)

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Definition

Part of the overall management system that establishes, implements, operates, monitors, reviews, maintains, and improves an organization's capability of delivering products or services at acceptable predefined levels following a disruptive incident. It is based upon identifying potential threats to an organization and the impact to business operations from those threats. The system provides a framework for building organizational resilience with the capability of an effective response that safeguards the interests of its key stakeholders, reputation, brand, and value-creating activities.

Module 7: Section B: Risk Analysis and Response

Term

ISO 22301

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Definition

An international standard that specifies requirements for setting up and managing an effective business continuity management system.

Module 7: Section B: Risk Analysis and Response

Term

supply chain continuity

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Definition

An organization's strategic and tactical capability to plan for and respond to conditions, situations, and events as necessary in order to continue supply chain operations at an acceptable predefined level.