

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.

<p>Module 7 <i>Section A: Risk Management and Supply Chain Risks</i></p>
<p>Term ISO 31000:2018</p>
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A standard developed by the International Organization for Standardization (ISO) 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.

<p>Module 7 <i>Section A: Risk Management and Supply Chain Risks</i></p>
<p>Term ISO 73:2009</p>
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An international standard that 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.

<p>Module 7 <i>Section A: Risk Management and Supply Chain Risks</i></p>
<p>Term Risk appetite</p>
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Amount and type of risk that an organization is willing to pursue or retain.

<p>Module 7 <i>Section A: Risk Management and Supply Chain Risks</i></p>
<p>Term Risk management</p>
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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 register

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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 A: Risk Management and Supply Chain Risks

Term
Risk tolerance

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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
Supply chain risk

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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
Supply chain risk management (SCRM)

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The systematic identification, assessment, and mitigation of potential supply chain disruptions with the objective of reducing their negative impacts on the supply chain's performance.

Module 7
Section B: Risk Analysis and Response

Term
Accuracy

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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
Business continuity management system (BCMS)

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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 and their impacts to an organization and its business operations. 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
Data integrity

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The process of assuring that data maintains its accuracy, consistency, completeness, and validity over time.

Module 7
Section B: Risk Analysis and Response

Term
ISO 22301:2019

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An international standard that specifies requirements for setting up and managing an effective business continuity management system. The standard was developed by the International Organization for Standardization (ISO).

Module 7
Section B: Risk Analysis and Response

Term
ISO 28000:2022

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An international standard developed by the International Organization for Standardization (ISO) 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
Monte Carlo simulation

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A model used to predict the likelihood of certain outcomes from complex systems based on a sampling of one or more random variables. This model can be used to analyze the predicted performance of systems that would otherwise be intractable using stochastic analysis.

Module 7
Section B: Risk Analysis and Response

Term
Risk acceptance

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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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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 category

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

Module 7
Section B: Risk Analysis and Response

Term
Risk response plan

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

Module 7
Section B: Risk Analysis and Response

Term
Risk response planning

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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
Sensitivity analysis

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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, for a given projected level of resources, a sensitivity analysis could determine 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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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. It is frequently used to test the behavior of a system under different operating policies. 2) Within manufacturing resource planning, 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
Supply chain continuity

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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.