

# Risk management on Ikea process online

## 1. Define the context

### Internal :

#### **Strategy of Ikea with competitive advantages:**

- 1) Offering the lowest prices
- 2) Increasing variety of products.
- 3) International market expansion strategy

#### **Objective :**

To offer a wide range of home furnishing items of good design and function, excellent quality and durability, at prices so low that the majority of people can afford to buy them.

### External :

#### **SWOT :**

In order to understand Ikea company, it is important to analyse it using the swot method, who is a technique used to determine and define companies' strengths, weakness, opportunities, Threats.

**Strengths:**

- Worldwide presence
- Strong Brand image & global brand
- Affordable products
- Excellent product designs
- Enormous range of products
- excellent store design
- Sustainable
- High differentiation with competitors

**Weaknesses:**

- Weak position in Asian markets
- Demographic design concept not a major source of competitive advantage
- Consumer perceptions : cost vs quality
- Locations not always accessible

**Opportunities:**

- Business opportunities in emerging markets
- Strategic partnerships with other brands
- Production in India and China
- Adding premium quality products
- Online sales
- Increasing Demand for sustainable products
- Demand for lower priced products is increased

**Threats:**

- Increase in demand of premium products
- Increased competitive pressure from the rival brands
- Difficulty to enter some profitable markets.

**2. Identifying the risks**

**3. Analyse and evaluate the risks**

**4. Treat the risks**

## Risk management of Ikea online

Step od the process	identify risk	evaluate the risk	analyse of the risk	treat the risk	cost of the risk \$
1 : order + personal information	problem with the site, it doesn't work	severe	financial	transfer to supplier	50000
	problem with data collected	severe	brand image	transfer to supplier	50000
2 : registered order	problem with the order : registration of the wrong product.	hight	financial	reduce	10000
	the order is not registered in the website	hight	brand image	reduce	10000
3: payment of the order on the patform	the platform of payment doesn't works.	severe	financial	transfer to supplier	50000
	the link between the website and the platform is obstructed	severe	financial	transfer to supplier	50000
4: the customer make the payment on the platform	there is piracy of his payment data	severe	brand image	reduce	50000
	problem with bank account of the customer , so the money never go to the company	hight	financial	accept	10000
	scam and fraud	severe	financial	reduce	50000
5: checked order	checked the wrong order	hight	brand image	reduce	10000
	checked an order with a fraudulent payment.	severe	financial	reduce	50000
6: e-mail of checked order	forget to send to e-mail	moderate	brand image	reduce	1000
	the e-mail go to spam	moderate	brand image	reduce	1000
	wrong e-mail address	moderate	brand image	reduce	1000
	the e-mail is not send directly after the validation of the payment	moderate	brand image	reduce	1000
7: order prepared by logistic service	put Wrong product in the order	hight	brand image	reduce	10000
	order is not prepared or in late	hight	brand image	reduce	10000
	the wrong order summary send to the logistic service	hight	brand image	reduce	10000
8: order shipped by distribution service	problem with supplier	severe	brand image	transfer to supplier	50000
	the order is lost	severe	financial & brand image	reduce	50000
	send in late or not send	hight	brand image	reduce	10000
	the order is not well packed and protected	hight	financial & brand image	reduce	10000
9: web site : order is shipped	the information aren't well diffused to the website	hight	financial	transfer to supplier	10000
10: e-mail of shipped order	forget to send to e-mail	moderate	brand image	reduce	1000
	the e-mail go to spam	moderate	brand image	reduce	1000
	wrong e-mail address	moderate	brand image	reduce	1000
	the e-mail is not send directly after the delivered	moderate	brand image	reduce	1000
11A: customer received order at home	no mail box or complicated to found home.	moderate	brand image	accept	1000
	never received the order, break order or in late.	severe	brand image		50000
	customer say he didn't received the order but in fact he received it.	hight	financial	accept	10000
	problem with the supplier who delivered the order : he steal it, break it.	severe	financial & brand image	reduce	50000
11B: Order in shop	The customer forget to come at the shop so the shop has to take care of the package during to much time.	moderate	financial	accept	1000
	The orde is lost in all the stock.	hight	brand image	reduce	10000
	There are some exchange with the order of an other customer	hight	brand image	reduce	10000
	fraud of some customer to take other order.	hight	financial	accept	10000
Information system	Hacking data	severe	financial & brand image	avoid	50000
	the financial penalties of Europe if the data are poorly preserved	severe	financial & brand image	avoid	50000
	error with the data	severe	financial & brand image	transfer to supplier	50000
	data wrong stocked and loose.	severe	financial & brand image	transfer to supplier	50000

## 5. Monitor and review the whole process

Try to think about a communication plan : the target are all the stakeholder : employess, suppliers...

The most important things to do I think is to establish personalized communication with each stakeholder involved :

- So to organise meeting all the months to make aware stakeholder to risks.
- To create a campaign of communication is the company about the risk and how reduce them, write the rules and informed people.
- To invite profession of risk management to speak with employees about risk in each services.
- Try to communicated with supplier and stakeholder to some feedback about their works.
- Write each years some reports and diffused it in all the company.
- initiate preventive actions
- Organize event about this topics : reduce risks in company with conference and interview.
- The goal is to : promote, enhance, inform and train all the employees.

## Sources

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