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| **Title** | 3.3 Coping with uncertainty, ambiguity & risk |
| **Keywords (meta tag)** | * **Uncertainty** * **Ambiguity** * **Risk** |
| **Language** | English |
| **Objectives / goals / learning outcomes** | |
| * The training participant will learn what is the meaning of the distinction in uncertainty, ambiguity & risk in business * The participant will be able to verify his business with uncertainty, ambiguity & risk * The participant will be aware that each business is associated with uncertainty and risk not only in its creation and operation | |
| **Contents in brief** | |
| **3.3.A Introduction and basics**  Uncertainty, ambiguity and risk in business are the basic barriers or challenges to the development of any enterprise or business. The ability to deal with it is crucial for business development, increasing profits and in many cases also survival in the market.  At the stage of establishing the enterprise, a SWOT analysis (strengths and weaknesses, opportunities and threats) is created. Once the business is up and running, dealing with incompetence, ambiguity and risk is a key part of management.  **3.3.B The decision-making process**  Decisions based on a foundation of knowledge and sound reasoning can lead the company into long-term prosperity; conversely, decisions made on the basis of flawed logic, emotionalism, or incomplete information can quickly put a small business out of commission  7 characteristics of a “good” decisions:   1. An appropriate decision frame 2. Clear values to adhere to and objectives you are trying to accomplish 3. Creative alternatives to choose from 4. Good information 5. Clear tradeoffs and sound reasoning 6. Choice alignment with values and objectives 7. Committed implementation   7 ways to deal with uncertainty:   1. Replace expectations with plans 2. Prepare for different possibilities 3. Become a feeling observer 4. Get confident about your coping and adapting skills 5. Utilize stress reduction techniques pre-emptively 6. Focus on what you can control 7. Practice mindfulness   **3.3.C Risk in Business**  Business risks refers to the possibility of a commercial business making inadequate profits (or even losses) due to uncertainties.  Business risks can arise due to the influence by two major risks: internal risks (risks arising from the events taking place within the organization) and external risks (risks arising from the events taking place outside the organization). | |
| **Glossary entries** | |
| **Uncertainty in business:** a situation, in which the probability distribution is unknown. Uncertain – ‘Something that is not exactly known or decided’  **Ambiguity in business:** ssomething that can be understood in more than one way or can have more than one outcome**.**  **Risk in business:** refers to the probability or threat of loss, liability, injury, damage, or any other negative occurrence resulting from external or internal vulnerabilities, and that may be prevented or avoided through preventive action. | |
| **Bibliography, further references and related material (i.e. YouTube Seminary)** | |
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| **Related PPT** | 3.3 Coping with uncertainty, ambiguity & risk |