

The Role of Risk Management in Addressing External Factors in Business Planning Projects

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Abstrak

Tujuan penelitian ini adalah untuk menganalisis peran manajemen risiko dalam mengatasi faktor eksternal dalam proyek perencanaan bisnis Bina Insani Universitas Kampus Cikarang. Penelitian ini menggunakan metode penelitian kualitatif dengan pendekatan studi kasus. Data dikumpulkan dengan studi literatur, kemudian dianalisis dalam tiga tahapan yakni reduksi data, penyajian data dan penarikan kesimpulan. Hasil penelitian menunjukkan bahwa manajemen risiko memiliki peran vital dalam mengatasi faktor eksternal dalam proyek perencanaan bisnis Bina Insani. Faktor eksternal tersebut dapat dianalisis menggunakan dua pendekatan analisis utama, yaitu analisis Porter dan analisis PEST. Usaha untuk menghadapi keragaman ancaman dari faktor eksternal dalam proyek perencanaan bisnis, langkah-langkah yang dapat diambil termasuk identifikasi risiko, analisis risiko, evaluasi risiko, penanganan risiko, komunikasi dan konsultasi, pemantauan dan peninjauan, serta perekaman dan pelaporan risiko. Penerapan manajemen risiko yang efektif membantu tim proyek untuk mengantisipasi dan merespons perubahan yang terjadi dalam lingkungan eksternal, sehingga proyek dapat berjalan dengan lancar dan mencapai tujuan yang diharapkan.

Kata kunci: *Manajemen Risiko, Faktor Eksternal, Proyek Perencanaan Bisnis.*

Abstract

The purpose of this study is to analyze the role of risk management in overcoming external factors in the business planning project of Bina Insani Universitas Cikarang Campus. This research uses qualitative research methods with a case study approach. Data was collected by literature study, then analyzed in three stages, namely data reduction, data presentation and conclusions. The results showed that risk management has a vital role in overcoming external factors in Bina Insani's business planning project. These external factors can be analyzed using two main analytical approaches, namely Porter analysis and PEST analysis. In order to deal with the diversity of threats from external factors in business planning projects, steps that can be taken include risk identification, risk analysis, risk evaluation, risk

handling, communication and consultation, monitoring and review, and risk recording and reporting. The implementation of effective risk management helps the project team to anticipate and respond to changes that occur in the external environment, so that the project can run smoothly and achieve the expected goals.

Keywords : *Risk Management, External Factors, Project Business Planning.*

INTRODUCTION

Every business planning project is faced with various risk factors that can affect the course of implementation as well as the end result. These risk factors can come from the company's external or internal environment, such as changes in government policy, market fluctuations, industry competition, management problems, or economic uncertainty. It is important for every business manager to carefully identify, evaluate, and manage these risk factors, in order to minimize their potential negative impact on project success (Putri, 2022). A business plan is a document that details the future plan of a business, including how resources will be allocated, focus on important factors, and face challenges by utilizing existing opportunities (Supriyanto, 2009).

Risk management is a series of steps and approaches implemented to detect, assess, supervise, and control risks arising from business activities or operations (Irwansyag et al., 2023). Risk management helps in gaining a deeper understanding of the potential risks that may arise during project implementation. So that with a good understanding of risks, companies can plan effective strategies to prevent, mitigate, and manage these risks so as not to have a negative impact on the project (Taguega et al., 2018).

Effective risk management is key in dealing with external factors and increasing the chances of project success. With the implementation of good risk management, companies can identify external factors that can affect the course of the project, such as changes in government policies, market fluctuations, or global economic conditions. Once those risk factors are identified, appropriate steps can be taken to reduce their impact or even leverage them as opportunities to improve project success. Thus, effective risk management not only helps in overcoming challenges that arise from outside the company, but can also help maximize the potential success of the project through proper risk management.

Previous research by (Simanjuntak et al., 2022) on risk management in bridge construction projects found that the most common risk in projects such as flyovers or bridges is internal risk, with technical risk being the most dominant. Internal technical risks include various aspects such as construction methods, structural design, availability of materials, work safety, and quality of work, all of which can have an impact on construction time, quality, and costs. To overcome these risks, mitigation measures that must be taken include improving communication between all components involved in the project and improving safety standards and quality of work. Therefore, risk management should begin as early as possible by regularly identifying potential risks, analyzing risks in detail, evaluating sources of risk, and taking steps to mitigate or deal with risks that arise during project implementation.

Another study by (Sari et al., 2017) on risk management in the rattan small industry in Malang City found that supply risk and marketing risk are in the high category (red zone).

Therefore, a response to these risks is needed, such as cooperation and support from various parties, including suppliers, distributors, and governments. The cooperation is expected to be a key factor in developing the rattan industry in Malang. Integrated coaching for rattan entrepreneurs is needed to improve product quality and competitiveness. Open access to new markets at regional, national, and international levels provides great opportunities for the rattan industry to expand market share and increase sales. Developing market networks through multimedia platforms is also an important strategy to reach potential consumers. Import protection needs to be enforced to protect the Malang rattan industry from unfair competition. In addition, looking for many relationships or other alternative suppliers can help anticipate possible unavailability or increases in raw material prices.

The novelty of this research is from the object of his research which examines the role of risk management in the Bina Insani business planning project of Cikarang Campus University which has never been studied before. While this research makes an important contribution to the understanding of how risk management can be effectively applied in business planning projects, it can enrich the literature on risk management by adding new insights into strategies and techniques that can be used to address risks derived from external factors. The purpose of this study is to analyze the role of risk management in overcoming external factors in the business planning project of Bina Insani Universitas Cikarang Campus.

METHOD

This research uses qualitative research methods, which is one of the research methods that aims to examine a social and human problem by focusing more on the quality of the entity studied, compared to quantitative research that focuses more on the quantity of data (Abdussamad & Sik, 2021). In addition, a case study approach is applied to this research by reviewing the Bina Insani business planning project of Cikarang Campus University. Data is obtained through literature studies using relevant and reliable sources to collect information related to research topics, such as books, scientific journals, articles, research reports, and other related documents. This process involves searching, selecting, and analyzing various quality literature sources that are related to the problem under study. The data that has been collected is then analyzed in three stages, namely data reduction, data presentation and conclusions.

RESULTS AND DISCUSSION

Risk is an important part of business activity and is an indispensable part of a company's operations. Risk management or risk management is inevitable and present in all activities. Risk refers to uncertainty regarding future events and outcomes that may hinder the achievement of organizational goals. Risk management is a consistent approach in managing all risks faced by the company that becomes an integral part of effective management and decision making at all levels of the organization. The focus of risk management is on decision making that supports the achievement of organizational goals (Asir et al., 2023).

Risk management in project management involves several stages, including risk identification, analysis, assessment, and control. Identification involves identifying the likelihood of a risk arising and its impact if that risk occurs. Risk analysis consists of evaluating how likely that risk is to occur and how it will impact the project. Next, a risk assessment is carried out to determine how serious the risk is which is then grouped into high, medium, or low categories according to severity. Furthermore, risk control measures are carried out to reduce the likelihood as well as deal with risks that have occurred. Risk management plays an important role in preventing losses and ensuring projects can be carried out more efficiently and effectively, so that the objectives that have been designed can be achieved. By knowing the possible risks and how to manage them, project stakeholders can anticipate potential losses and take preventive measures from the start (Evan, 2023).

This risk management is also implemented in the business planning project of Bina Insani University Bekasi Regency (Cikarang) as a higher education institution with the aim of producing graduates who can meet the needs of the world of work, which is reflected in their university's tagline, "fast lectures and ready to work". Efforts to achieve this goal, require careful business planning, among which is the development of risk management. The scope of risk managed by Bina Insani Universitas Kampus Cikarang covers both contexts, namely external and internal companies. These external and internal factors can cause losses and need to be managed to be transformed into opportunities that are beneficial for the achievement of the goals of Bina Insani University, Cikarang Campus. In this study, it will focus on the role of risk management in overcoming external factors that can be a threat if not managed properly.

Analysis of external factors is carried out using two analytical tools, namely 1) Porter's Five Forces analysis which includes threats from new entrants, buyers' bargaining power, suppliers' bargaining power, threats from substitute products, and competition between existing firms; 2) PEST analysis covering political, economic, social, and technological factors. The results of the analysis of these two tools provide an overview of the competitive strength of Bina Insani University in external factors. Visually, the flow of analysis can be shown in the figure presented below:

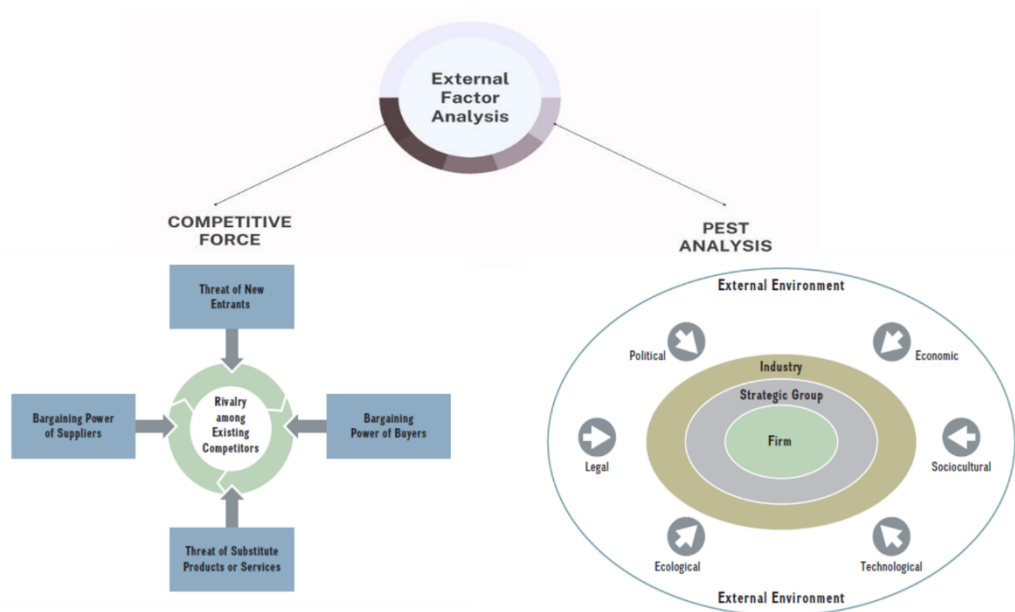


Figure 1. External Factor Analysis Framework

In dealing with various threats from external factors in business planning projects, some steps that can be taken include:

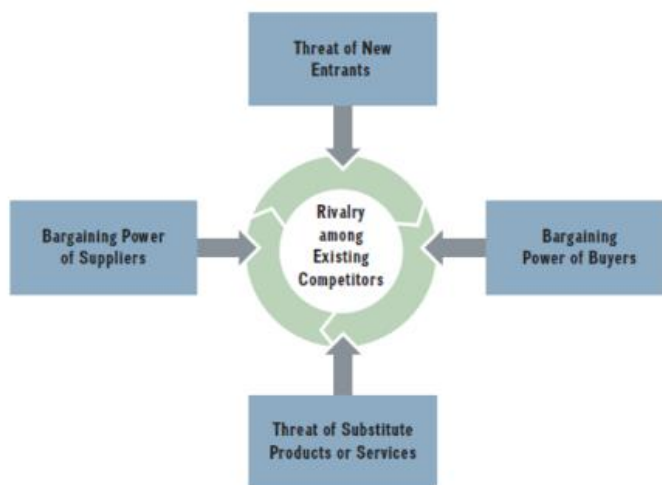
1. Risk Identification
The first step is to identify all possible threats that may occur from external factors, such as changes in government regulations, intense market competition, or geopolitical risks.
2. Risk Analysis
Once a risk is identified, an analysis is performed to evaluate how likely it is to occur and its impact on the project. This helps in determining which risks are most important to manage.
3. Risk Evaluation
The risks identified are evaluated to determine the severity and priority of treatment. This makes it possible to determine the resources needed to manage those risks.
4. Risk Management
Once the risk is evaluated, a risk management strategy is established. This could include risk aversion, risk mitigation, risk transfer, or risk acceptance.
5. Communication and Consulting
It is important to communicate openly and consultatively with all relevant parties regarding the risks identified and their mitigation strategies, this helps to ensure clear understanding and support from all stakeholders.
6. Monitoring and Reconnaissance

The risks identified and their management strategies need to be monitored continuously throughout the project. Changes in the external environment should be monitored to identify new risks or changes in existing risks.

7. Risk Recording and Reporting

During the project, it is important to record all the risks that occur and the steps taken to manage them, this helps in reporting risks to related parties and also as learning for future projects.

The competitive strength analysis used by Bina Insani University is an analysis of five competitive forces from Porter, namely Threat of New Entrants, Bargaining Power of Buyers, Bargaining Power of Suppliers, Threat of Substitute Products, and Rivalry Among Existing Firms.



Gambar 2. Porter Five Forces Model

Michael E. Porter's *analysis of the five competitive forces* states that a competition in an industry is influenced by the five main forces of competition as illustrated in figure 2. The combination of these five forces essentially determines the potential for yield and sustainability in the industry, where yield and sustainability are measured through the return on capital investment over the long term.

These five forces are variables that influence each other in the strength of competition between variables. There are five factors that can determine the level of competition and market attractiveness within the same industry. We can understand the strength of current competitive positions as well as potential competitive positions in current and future industries by using this Five Forces Analysis.

Risk management is also important to understand the external factors associated with opportunities and threats that may arise. External data collected to analyze aspects related

to political, economic, social, and cultural issues were evaluated using the *External Factor Evaluation* (EFE) Matrix as follows:

Table 1. External Threat and Opportunity Analysis

No	Variable	Opportunities / Opportunities	Ancaman / Threats
1	Politics	Circular Number: 0080/E.E3/OT/2021, There is a moratorium for Social studies programs	There are rapid changes in regulations for universities
		Permendikbudristekdikti RI Number 53 of 2023 article 75, Ease of obtaining accredited status and reaccreditation.	
2	Economics	West Java Economic Growth Speed continues to grow 5.45% in 2022	Declining number of state-sourced scholarships and grants
		The number of industrial estates/companies in Bekasi Regency continues to increase and become the largest industrial estate in Southeast Asia.	
		Bekasi Regency is one of the regions with the highest MSEs in Indonesia for the employee class.	
3	Social	The population pyramid of Bekasi Regency is included in the type of young pyramid.	Interest in choosing alternative educational paths, such as attending training at Job Training Centers and Short Courses.
		Interest in <i>blended learning</i> options.	
4	Technology	The large number of operator-level employees from high school / K graduates equivalent	
			The rapid advancement of ICT technology for higher education so that it must update its infrastructure, curriculum, and teaching methods.
			Digital divide and access gap in certain regions.
			Cybersecurity risks and data privacy concerns

Effective implementation of risk management is key for the project team to anticipate and respond to changes occurring in the external environment. Therefore, by identifying, evaluating, and managing risks that may arise from external factors such as changes in government policy, market fluctuations, or technological developments, the project team can reduce its negative impact on the course of the project. Therefore, the project can run smoothly and achieve the goals that have been set. Effective risk management also enables project teams to respond quickly and efficiently to unexpected changes in the external environment, thereby minimizing disruptions in project execution and ensuring a smooth journey towards achieving project objectives.

CONCLUSION

Risk management plays a crucial role in handling external factors in Bina Insani's business planning project. Analysis of external factors can be done using two main analytical approaches, namely Porter analysis and PEST analysis. To deal with various threats from external factors in business planning projects, the necessary steps include risk identification, risk analysis, risk evaluation, risk handling, as well as risk communication, consultation, monitoring, review, and reporting efforts. The implementation of effective risk management helps the project team anticipate and respond to changes that occur in the external environment, ensure the smooth running of the project, and achieve the objectives that have been set.

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