

SMALL ENTERPRISE AUSTRIA

The risk story 4



Co-funded by the
Erasmus+ Programme
of the European Union



Small enterprise from Austria

Context of the Company and the Supply Chain

The company is trading company, specialized in livestock trade and has 10 employees. It is both a buyer and a supplier and is mainly limited to activities in Austria and Slovenia but is also partly an importer from Germany and the Netherlands and an exporter to Hungary and Romania. It is an independent small company founded in 1991. The company generates revenue on the one hand, in the purchase from farmers, from cooperatives, from other trading companies for the breeding in order to sell to them again after a certain time. On the other hand, also for feeding to resell later to the processing industry.

Digitalization of SC

The company has a low level of digitization. Digitization was particularly noticeable in the ordering process and in payment processing. In some cases, payment is still made with payment slips or checks, but the majority of customers have already switched to digital payment options.

Risk Management

No dedicated approach, since it is a family business, every family member is risk manager.

Practice of Risk Management: The only thing that has been done in terms of risk management is a separate power generator, backups for servers, and any work records are stored extra on a USB stick.

Risks: Currently, the company is primarily exposed to cyber and COVID-19 risks.

- Operational risk. There were no specific risks reported.
- Financial risk. There were no specific risks reported.
- Market risk. There were no specific risks reported.

- Cyber risk. The company emphasizes high quality products and high-quality service, which is characterized by fast processing delivery and payment. The main vulnerability is a failure of the MIS, not meeting delivery deadlines, or even cyberattacks. Cyberattacks occur, sometimes without an attack, for example a call from a pretend Microsoft employee. Partly network problems, phishing mails and malware, a PC has already been attacked here. The only thing that has been done in terms of risk management is a separate power generator, backups for servers, and any work records are stored extra on a USB stick.
- The COVID-19 related risk. The catering industry is missing as a customer, which leads to price distortions.

Benefits of risk management: Since it is a family business, every family member is responsible for risk management. Most of the critical issues are discussed within the household, one is very cautious and has already learned from mistakes. High level of caution due to alleged cyberattacks, since then hard drive backups.