**CREATING A RISK MANAGEMENT PLAN**

Creating a legal risk management plan consists of the following four important steps:

**Step One: Identify the Legal Risks**✓ Assess the organization’s functional areas

✓ Review the organization’s business decisions

✓ Examine the organization’s business relationships

✓ Analyze the organization’s operations and transactions (Duplessis, 2016 02,11) **Step Two: Evaluate the Risks**✓Assess the probability of loss✓Assess the severity of loss. (Duplessis, 2016 02,11)

**Step Three: Devise a Risk management plan**✓ Avoid or eliminate the risk

✓ Reduce the risk

✓ Transfer the risk

✓ Retain the risk. (Duplessis, 2016 02,11)

**Step Four: Implement the plan**✓Carry out the plan.✓Monitor and revise the plan. (Duplessis, 2016 02,11)The most critical step is to accurately identify the legal risks. Without proper identification, risks cannot be assessed or managed.

**References**

Duplessis, D. (2016 02,11). Canadian Business and the Law, 6th Edition