Ajeet Lowagun B K

RISK MANAGEMENT IN RESTAURANT SERVICE: ROYAL
MUSTANG RAVINTOLA

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RISK MANAGEMENT IN NEPALESE RESTAURANT SERVICE: ROYAL MUSTANG RAVINTOLA

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The purpose of this thesis was to acknowledge the present, past and future risk involved in the case company, Royal Mustang Ravintola, Pori, Finland. My focus was to know the risk involved in service sector, which I have described in the thesis. Knowing what risk management strategy, the case company has been using to overcome risks was also on the purpose. Similarly, I was also able to know how conscious are they about risks and the process of controlling it.

In addition, simple and easy way of risk management process has been described in this report. Identifying, analyzing, evaluating and assessment process is what needed to treat risk. Simple process and words are used in this report so that my case company as well as the reader of this thesis can have easy understanding. I am pretty much satisfied on what I was trying to find and what I have found. This proves that I have fulfilled the purpose of my thesis.

CONTENTS

1 INTRODUCTION

1.1 Goals and objectives

Every business is carried out with certain risks. Some survives the risk and some may not survive. It depends upon how conscious, careful and creative are the owners to tackle those risks. My concern will be mostly on the service sector of a restaurant business. The objectives of my thesis is to find the status of risk in my case company. In addition, calculating past and present risks scenario and figuring out proper risk management strategy will also be prioritized as an objective of my thesis.

For easy understanding, a proper risk management strategy will be used to overcome available and possible risks in a case company. In order to bring risk management strategy into affect, first risks involved in service sector of the restaurant should be identified. After the identification of the risks, risk assessment process will be used as a risk management strategy in this thesis. Moreover, to get clearer picture and collect facts, interview will be conducted with restaurant staffs respectively. The analysis from obtained results of interview will help to reach a genuine solution to the available risks. With all calculated risks and use of risk management strategy a proper solution and recommendation will also be provided to the case company.

1.2 Royal Mustang Ravintola

Within very short time of establishment, Royal Mustang Ravintola has already left its mark in the market for delicious Nepalese cuisine and its services. It entered the competitive restaurant market of Pori in January 2017. With other well established Nepalese restaurant and many other available fast foods shops, it was risky decision to step in the competitive market. But after their established they never had to look back. Within a few span of time they established themselves as a best Nepalese food server in Pori.

The owner himself is from Nepal and most of the employee working in the restaurant is from Nepal as well. Greater popularity always carries some sorts of risks with it. Growing business and popularity of Royal Mustang Ravintola too has deal with available risks within the company. Through this research, the author will be assessing the case company to deal with risks of the restaurant.

Fig.1: Location of Royal Mustang Ravintola, Pori (Map Data 2017, googlemap)

1.3 Conceptual framework
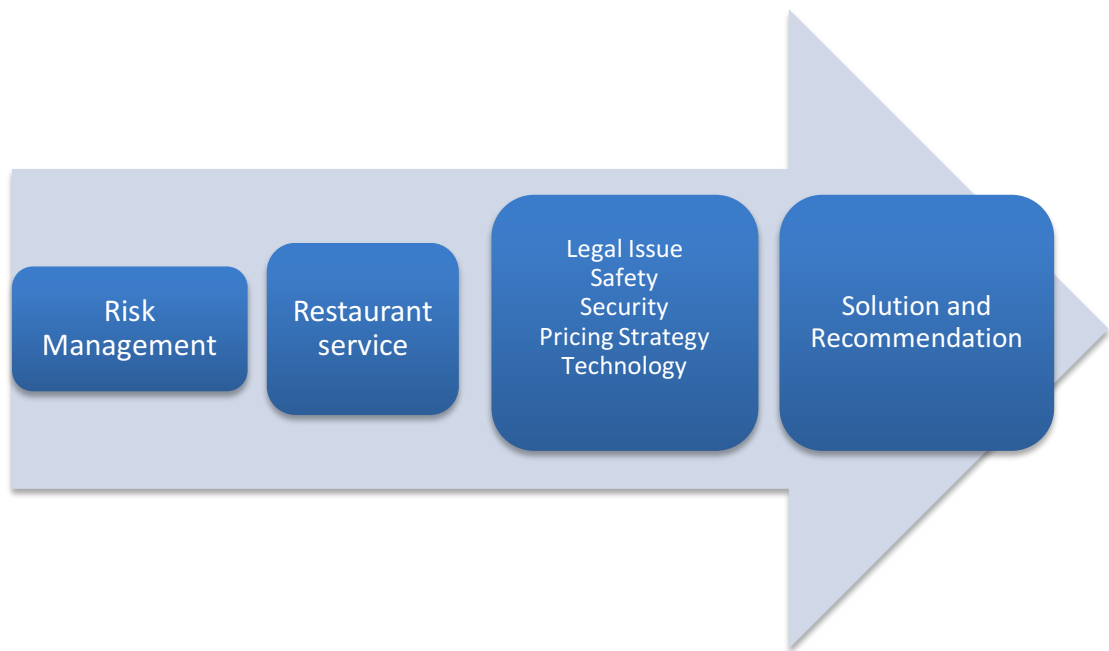
Fig. 2: Conceptual Framework

Conceptual framework has been kept simple for an easy understanding to the reader. It describes the process of risk management in the restaurant service. Restaurant service includes Legal issues, security, safety, pricing strategy and technology. Managing risk in this sector of restaurant service is a challenge. How can we minimize the risks involved in the service will be described in the thesis? Proper risk management strategy is also described here. Risk identification, analysis, evaluation and assessment is the most used and simple way to treat risk. Appropriate conclusion and immediate solution are also assessed. In order to minimize involved risk, recommendation is also provided at last.

2 LITERATURE REVIEW

2.1 Pricing strategies

Price is a value or a money customer wants to pay for a product or a service provided to him/her (Lopez, S. 2016). Restaurant too provide food and its services to the customers for which they charge money in return. Keeping the value higher or lower than the service provided is always a risk for a business. It should be kept in balance with certain amount of profit margin. It will help an organization to be competitive market. Price can be considered as the main factor that customer look for before they enter in a restaurant. "Price should be set in the context of:

- The benefit it offers
- The product positioning its image and perception)
- The target market (needs, profile, habits and preferences)
- The competition (price and benefits)
- Market forces (supply and demand)
- Competitive advantage
- Product life cycle
- Business trends." (Lopez, S. 2016)

In the context of restaurant, price of a food should be estimated by considering the following factors:

2.1.1 Price comparison with competitor

Price of a product is one decisive factor for consumer. With the help of modern technology, one can easily know and compare the price of similar available product in the market. Before setting price, a company should acknowledge the benefits and price of the competitors (Lopez, S. 2016).

2.1.2 Previous prices

Sudden fluctuation on the price can affect the mentality of customers. In order to increase the sales, if a price of a product is decreased by high rate, it can have a negative impact to the customers. Sudden high rate ådecrease in price misleads customers to suspects the quality of a product. Whereas, rapid increase in price of product as compared to previous leads customers to find alternative product. Therefore, previous price should be taken in account and moderate increase and decrease should be made (Lopez, S. 2016).

2.1.3 Purchasing power and demand

Obtaining more benefits in low price is a human nature. If the price is high, benefits are low; the demand will be low. Whereas, if the price is low, benefits are high; demand will be high. A company should acknowledge this price, demand and purchasing power ratio. More benefits with low price should be there, without affecting the company's profit and quality of a product (Lopez, S. 2016).

2.2 Security

Security is most required service, from view point of both company and customer. A company already a victim of security malfunctioning will have a bad impact and bad reputation in a market. In the context of restaurant business, two basic security protections can be installed.
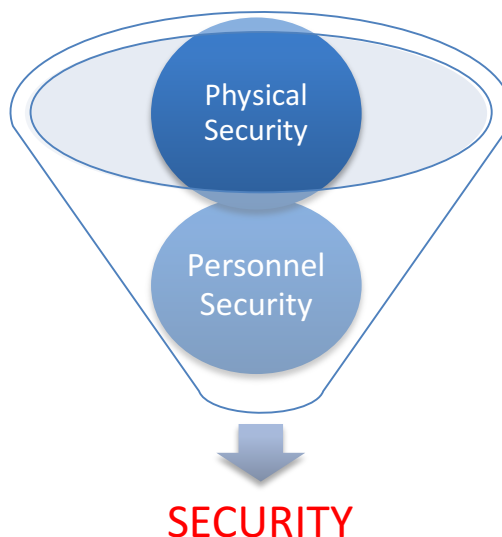
Fig 3: Basic Types of Security in Restaurant Business

2.2.1 Physical security

Advancement technology has brought different innovative physical security. There are different types of physical security available, which gives reliable security to a company. Some of them are explained below:

2.2.1.1 Electronic Burglary System

Burglary means illegal entry to a certain place by a person with the intention of a committing crime. Electronic burglary system is a type of alarm that can be set in a metal door, cabinet, window as well in different part of a building. The motive of keeping this system is to alert the owners through alarm that someone has entered in the property.

2.2.1.2 Fire alarm

It is most commonly used devices as a fire security. Fire and electricity are the most used things in a restaurant. If any fire accident occurs, this alarm produces sound which notifies every people around the place of accident.

2.2.1.3 CCTV system

Closed circuit television (CCTV) is an obligatory element in most of the business. In restaurant business, it is obligatory and should be installed. It helps to track activity carried out in the installed place. CCTV helps to take pictures as well as video. The technology has emerged a lot than before. Different types of camera option can be found now. For instance, Monochrome (takes picture and video in black and white form), color cameras and Day/Night camera (takes picture and video during day as well as night) (Vellani, K. 2007, 183-189).

2.2.2 Personnel security

Personnel security is a process of hiring a person to look after the property and its related material. Personnel security is not common security system in restaurant business in Finland. It is quite expensive but reliable. In a restaurant, personnel security can build up the trust with customer in terms of security. Hired person will take care of customers and its belonging, for instance, vehicles and luggage until they enjoy their time in restaurants. Moreover, they look after the facility during the opening hours (Vellani, K, 2007. 232-234).

2.3 Legal issues

Every forms and organization must follow all the required legal step to get entry in their respective field. Different field of business has their own legal criteria to be fulfilled. In the context of restaurant, registration of the restaurant to the licensing of what they sell are required. Some of them can be:

2.3.1 Registration

First step is to register the company. In order to run a restaurant, one must have to register it first. A desired name of the restaurant can be chosen during the registration. After the registration, business identity number (ID) will be provided. This will oblige to operate the restaurant.

2.3.2 Food service license

From the chef, who prepares food to the one who serves, have to pass hygiene exam and health inspection.

2.3.3 Liquor license

Most of the restaurant provides liquor along with food. But they should also register the bar and should obtain selling license, in Finland it is known as Alko license. The one who prepare the drinks should also have the license to prepare it.

2.3.4 Driving license

Most of the restaurant provides home delivery service as well. For the this they need vehicles and its registration papers. A qualified driver with driving license is also needed.

2.3.5 Others

There are other legal policies that must fulfilled by the owner after the establishment. They can be, due date payment of income tax, restaurant tax, employee tax, rent, etc. (Website of Insureon, 2017).

Following these legal issues will certainly help customers to insure themselves to be in good place to enjoy their meal.

2.4 Technologies

Use of technology in an organization's service is a way of attracting customers. For instance, automated doors, free Wi-Fi, card and cash payment, use of visual affect are the example of technologies used. In this digital age, most of the people wants things to be fast and reliable and use of technology does that. In the context of restaurant

business, use of technology is making life of customer and owners easy. Online order of food or by a phone call can bring food to their door.

An organization has to keep some details of their customer that can be confidential. Its the job of organization to handle it with care and the use of technology can do it. Use of antiviruses in computer and gadgets, security protected Wi-Fi, security cameras are the some of the example of technology that can keep organization in shape (Website of Insureon, 2017).

2.5 Safety

Every organization has a safety code of conduct to be followed. Use of fire extinguisher is an easy example of following safety measures. Owner should be responsible for keeping their customer safe during their time of visit. In restaurant business, there are some basic safety measure that needs to be followed.

2.5.1 Employee hygiene

According to Finnish government, every employee working in restaurant must have hygiene card. It ensures that a worker has a proper knowledge on basic hygiene rules. In restaurant, every worker should follow the hygiene rule to provide clean and safe service to the customer. Use of non dust disposable gloves, hairnets, dresses, etc. are the example of employee hygiene.

2.5.2 Health inspection

Health inspection are done before opening a restaurant. Every employee should be in a good health to operate a safe working environment. If the health safety is violated, one's business can even be shut down by the government.

2.5.3 Safety equipment's

installation of water hose, fire extinguisher, clean cooking and working facility and surfaces, clean utensils, proper inventory management are some example of safety equipment. Everyday check should be done on these items before restaurant is opened. Easy and fast exit way should be build in case of any danger. Freshness and quality of food also be there to provide good customer service.

These can be some of the safety measures taken in account before and after opening a restaurant (Website of Insureon, 2017).

2.6 Background of Risk

Risk is inevitable. It can be found everywhere, from business to daily life. Risk is anything that can be threat to someone, financially or non financially. Everything we do has a risks within itself. It depends, how often and how much we are affected by risks. One can never avoid the risk completely. The work we do and the way we live has uncertainty in every moment and the risk never leaves uncertainty alone. Every uncertainty carries risks (Waters, D. 2009). Those risks can be categorized in two ways, external and internal risks.

External risks are the one which are beyond the control of a risk bearer. In the context of restaurant business, they are the threat that can be found outside the boundary of operation. For instance, wars, inflation, blockade, shortage of goods, etc. These are the issues that happens outside but has a huge impact on the operation.

Internal risks are often related to operation carried out inside boundary of the risk bearer. As for easy understanding, in restaurant business, the risks which comes along with uncertainty carried out inside the restaurant. These are the risks that are in control of owner or risk manager. For instance, bad working environment, poor inventory management, impolite to customer, etc. Even though these types of risks are in control of risk manager, they cannot be avoided but the affect of it can be minimized.

2.7 Risk management process

Risk is a part of everyday life and business life too. We need to tackle different types of risk in accordance to its nature and situation. Some risks are minor, has less impact and are easy to manage. Whereas, some of them are major risks, has huge impact and are hard to control and manage. Managing them costs certain amount of money depending upon the nature of the risks. The use of risk management process by owner or risk manager helps not only to take control over the situation but it also helps to avoid future risks. Some risks are simple and are usually neglected but can have direct impact to reputation, financial status and can cause immediate failure of a company. It depends upon the owner and manager whether to implement risk management process or not. Implementation of risk management encourages company to be proactive, value based and gives continuity to reach the company's goal. It not only helps company to run smooth, proper risk management strategy helps to be prepared and utilize those risks to meet its business objectives.
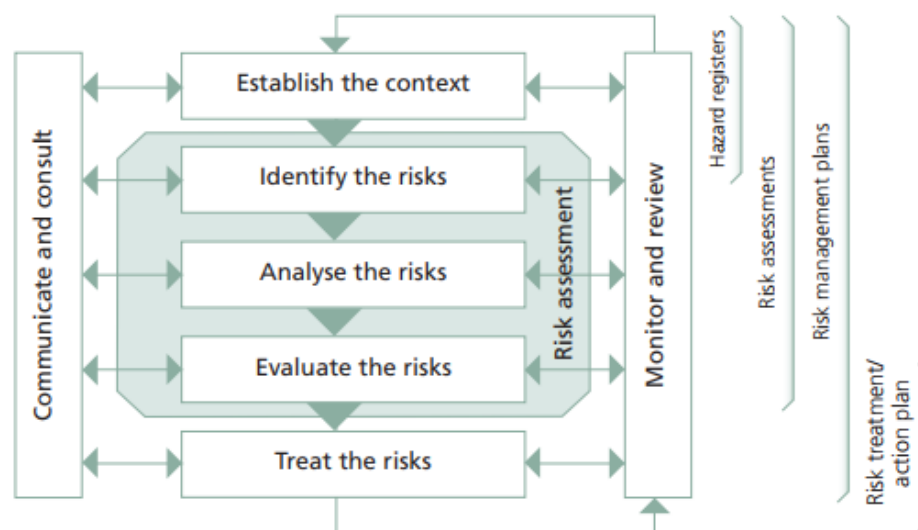

Fig 4: Risk Management Process (Risk Management Guide, 2005)

Risk management has different steps to be followed. First the identification of the risk is done and it is categorized. The objective of risk identification is to know what possible affect does risk will have in a company, either negatively or positively.

2.8 Risk identification

Risk management has different steps to be followed. First the identification of the risk is done and it is categorized. The objective of risk identification is to know what possible affect does risk will have in a company, either negatively or positively. Risks, at first it strikes and shatter down its consequences. So, risk identification is the process of acknowledging the before it strikes. Both external and internal risks can be given different identity by studying its nature. We can get basic understanding of risk with the help of 3 questions. They are:
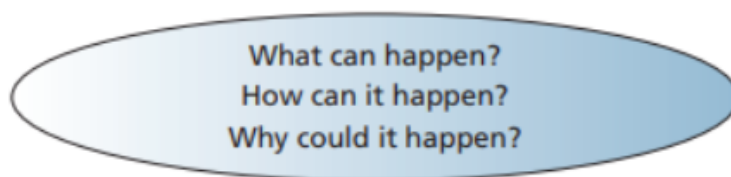
Fig 5: Identification of Risks (Risk management guide, 2005)

Furthermore, according to Global Risk Alliance, they can be summed up in two types.

- Retrospectively risk
- Prospectively risk

Retrospectively risks are the risk that has already occurred. As a company would have already faced this types of risk, it will be easy for them of identify and tackle it. It is the common way to identify risks.

Where as Prospectively risks are the one which has never occurred but tends to be occurring in near future. Identifying this types of risks will help to be prepared (Risk Management Guide, 2005. 28-29).

Moreover, after identification, risk can be categorized in some more sub categories.

2.8.1 Human resource risk

These risk are related to important resource of any company, i.e. employee. They are the backbone of a company. In a restaurant, employee plays a major role to bring success. But they too carry risk to company. For instance, unprofessional chef, excessive hiring of worker, firing of a worker, etc. These operations related to human resource can be a risk to a company (Breaver, W et al.1995. 5-9).

2.8.2 Legal risk

Legal risk are the types which are related to the government legal system. It is usually caused by not following or not being update with legal system imposed by the government. For example, not paying taxes, uninsured property, and other issues which are directly or indirectly related to the government legal system (Breaver, W et al.1995. 5-9).

2.8.3 Product risk

The risk related to ingredient or material which are used to obtain a final product for the customer in a company is a product risk. In the context of restaurant, raw materials used to prepare food, other required materials used to provide service to customer, such as, tissues paper, beverage, water, etc. can be regarded as product risk (Breaver, W et al.1995. 5-9).

2.8.4 Reputational risk

Most of the risks are related to reputational risk. Anything that damages the image and reputation of a company than it's a reputational risk. It has a huge affect to the goodwill of a company. For instance, unhygienic food in a restaurant, late payment of bills and taxes, dirty restaurant are what hampers the image and reputation of a restaurant. This sorts of risk encourages a huge loss of customers.

2.8.5 Operational risk

Operational risks can be foreseen during day to day activity. In restaurant, basic day to day operations can be, preparing food, serving, delivering food, cleaning. As every work we do carries risk, these operations too carries risk within in (Breaver, W et al.1995.5-9).

2.9 Risk analysis

Managing many risks at a time is almost an impossible task. Prioritizing them with likeliness to be occurred, its duration and calculating its affects is a clever way to manage it. Risk analysis helps to know which risk has greater consequences, are likely to be occurred. So that managers will have time to collect required resources to tackle it. Risk analysis helps managers to level the identified risk.

According to Risk management guide, combination of possible impact of a risk and likelihood of it to occur, gives the level of risk.

Risk = Consequences x likelihood

This equation helps us to determine the level of risk. More the consequences and likelihood are, more will be the chances of the risk to occur. They all are directly proportionate to each other. It helps managers to know which risks needs depth research and which should be handled with priority and more care (Risk management guide, 2005. 30).

2.10 Risk evaluation

Risk evaluation is the process of evaluating the level of one risk to the other. It should be followed after the identification and analysis. The evaluation of risk assesses managers whether to take risk or to neglect it. A manager should tend to take a risk if the cost of controlling it is less than the consequences. It is a rational decision to choose a

way where one can spend less money to save a lot. Low and tolerable risk are usually accepted. This will help to acknowledge which risk is to be accepted and treated.

2.10.1 Risk capacity

The desire of manager to take risk is risk capacity. After the evaluation of risk, it is the job of responsible person to take the risk. Knowing how much a company can handle the risk and will they be able to reach the goal by taking that risk is risk capacity. Not all the risk can be treated at a time. Risk differ from each other in various character. For instance, time for consequences, time of consequences, loss of money, resources required, planning etc. Taking this character in to account and deciding which risk to treated first is the decision of manager. His/her desire to take those risks is risk capacity.

2.10.2 Risk exposure

Risk exposure is the process of ranking risk in accordance to the probable chance to occur. It is the numerical form of calculating risks. Risk exposure is calculated by multiplying the chance of incident to occur and potential(future) losses. Pure risk and speculative risk should be known to calculate the future losses in a business. The risks which cannot be controlled by us are pure risk. Natural disaster is an example of pure risk. Whereas, the risk that result either loss or profit are speculative risk. Similarly, managers are the one who estimates probable chance of event to occur as well. Risk exposure is also the way of leveling risk in terms of loss of money, benefits and required costs that organization is going to accept.

2.11 Risk assessment

Risk management is a systematic approach of identifying possible risk. It helps to reduce identified risk and brings to an acceptance level for organization. Involving risk assessment process in a management system of an organization is an example of good

management. Risk assessment helps to identify risk and estimates whether the available resources are enough to tackle those risk. Risk assessment is implemented before starting a new business or before innovation and changes are done in an organization. A manager tends to implement risk assessment when certain risk is identified before the impact. In order to improve risk assessment model, time scale, FIRM scorecard and risk mapping can be done. It gives easy understanding about he nature of risk.

2.11.1 Time scale

Time scale is a process of dividing risks in terms of time of consequences. There are usually 3 groups where the risks are divided. Short term, medium term and long term. As risk is an inevitable, it also has certain duration of impact. Risk that are usually simple but immediate impact can be seen than it is regarded as a short term risk. This types of risks usually last 1 to 3 months. Similarly, medium term risks are little harsh than short terms risk. Their consequences are bigger than that of short term risk but are bearable. Proper planning can help to reduce the medium term risk. they usually last 6 months to one year. Long term risks are usually a red signal for an organization. The consequences of these risks last more than a year. It is usually hard to control and requires good strategic planning, time and money. Managers has to divide the identified risks and should be treated them accordingly (Website of Techtarget, 2017).

2.11.2 FIRM scorecard

FIRM scorecard is a process of determining the leveling risk that we are evaluating. It helps to mitigate risk and enhance performance of an organization. In order to treat risk, the identification and classification risk is required. The systematic classification of risk is carried out in FIRM scorecard and assess risk assessment process. This risk classification system usually classify risk in to infrastructural, reputational, financial and market place in accordance to its nature.

2.11.3 Risk mapping

Risk mapping gives data visualization to the risk and its level of impact in an organization. The basic idea of risk mapping is to give clearer picture on the nature of risk, its consequences, benefits, timescale and assessing the process of risk assessment. In risk map, frequency and impact of risk divides the level of risks.
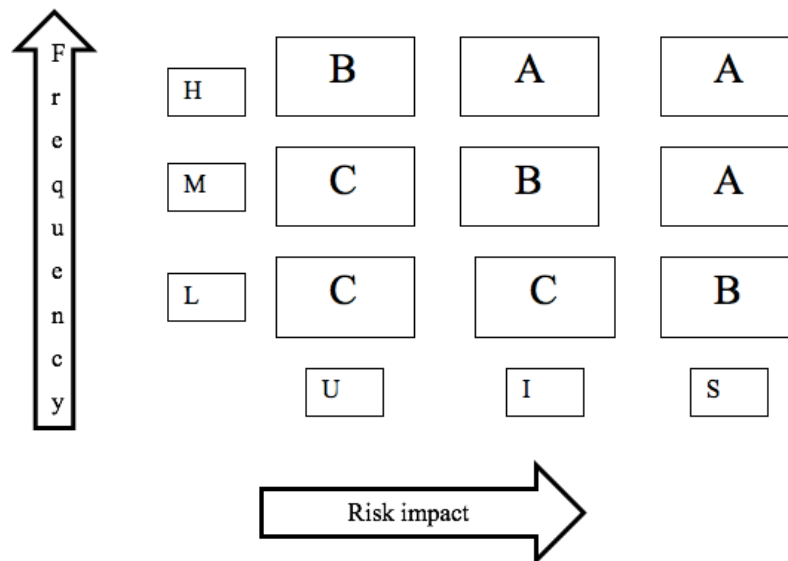
Fig 6. Risk Mapping

Above map is simple form of risk mapping. Risk are identified and analyzed in term of it frequency and impact and are levelled in this map. Higher the risk, higher will be the frequency and higher the impact and consequences, higher will be the impact. Risk mapping is the systematic form of levelling risks.

3 RESEARCH METHODOLOGY

3.1 Qualitative research method

In this report, qualitative research methods will be applied. Qualitative research method is the most common research method. It is holistic information gathering ap-

proach, it takes information from a person as a whole and further interpret his/her information. Qualitative approach is a natural way of collecting data in real situation, for which the researcher is the most important person in this research methods. The researcher is the one who will be collecting data, interpreting it and analyzing them to reach the object of the research. In qualitative research method, research can be kept flexible. We can change research plan anytime during our report. It encourages researcher to have more in depth knowledge on the topic. Moreover, it data collection are usually simple and reliable than that of survey (Saunder, Mark 2016, Pg.566-568)

3.2   Data collection method – Interview

Report needs fact that can provide the real insight. Those facts are assembled through data collection method. There are several methods of collecting data in a report, such as, survey, interview, census, administrative data, tracer studies, questionnaires, case study and observation. All these methods underlie in two groups. Qualitative and quantitative research methods. As I am doing a qualitative research method, I would also be using interview as my data collection method. Interview is most widely used method for data collection. Through interview required fact and data are collected and are encrypted and developed later via qualitative research. Interview is a conversation between researcher and the subject (about which research is made) developing the theme and research questions. It can be done face to face or electronically, where we can see each other. As seeing each others helps us to study the emotion, body language and hesitation to give certain answers to our questions.

There are usually 3 types of interview, unstructured, semi structured and structured. I will be following structured interview. Unstructured interview provides good information by exploring unknown theme during interview but it is time consuming and can generate irrelevant data. Semi structured data are usually fruitful for inexperience interviewee but it is also time consuming and research intensive. Structured interview can be conducted quickly and also has small risk of being bias. It can produce good data with less level interview skills (O'Gorman, K D & MacIntosh, R., 2015. Pg. 119)

3.3 Reliability and validity

Writings from concrete source proves the reliability of a report. Course material, books, webpages, article are used to write down this report. The literature review is written with proper study of all available sources and books related to the topic written. The information about the case company are directly collected from the owner of the restaurant and employee. Each details are clearly observed and are written with proper words. Every questions in the interview are related to the goal and objectives of the thesis. The owner of the restaurant is also excited and encouraged with this research and wants to give every available information to bring the research in affect. This helps to collect genuine findings for the research and also assess the to give concrete solution to the problems. The overlapping answers were found from employee and owner to a same question which helps to prove the reliability of sources for this report.

4 RESULTS AND ANALYSIS

Questions asked in an interview are based on the objectives of thesis, risk, its management and the service of a restaurant. Face to face interview was conducted by myself with the owner of the company. Most of the questions are answered straightly and few were diplomatic. Those answers have assessed me to fulfill my thesis objective.

4.1 Marketing and competitive risk

In the company, risks are taken seriously but are not treated systematically. No systematic approach is applied. So far company have able to identify and acknowledge the consequences of the risks by verbally consulting and discussing with experience member of restaurant. They have been using their own creativeness, ideas and knowledge from pervious risk treatment to treat present and future risk. Some good ideas were developed to overcome marketing and competitive risk (appendix 1). The idea of increasing their opening during weekend was a huge boost for marketing purposes and overcoming competitive risk. In addition, adding one item on their menu cannot describe the variety or change in menu of a restaurant. This may give chance

for their competitor to take over the market. As they have have prioritized competitive risk their top risk, they have not done much to over come it. They have some weakness in to compete in market. With the information provided, their market and competitive strength and weakness are explained in following table.

Table 1: Strength and Weakness of Marketing & Competitive Risk

Strength	Weakness
• Situated exactly in the center of Pori.	• Though it is situated in center, the place is hardly visible.
• Low price than their competitors.	• Similar Nepalese restaurant around their location.
• Small restaurant, easy to handle.	• Less variety than its competitor
• Less number of employee lowers the financial cost.	• Owner is new to the market. Un-experienced about competition and risk.
• They sell one different item which other Nepalese restaurant do not sell.	• Only prioritizing big risk. Ne-glecting small risk.

4.2 Service risk

Though they are new to the market, they have managed to overcome the service risk till now. They have not got them self in any illegal issues or any big accident. This has built their good reputation in the market. Their service too has some strength and weakness which I have summed up in following table.

Table 2: Strength and Weakness of Service Risk

Strength	Weakness
• Opening hours during weekend from 11am to 4 am.	• Less employee can make their service difficult during busy hours.
• Good language skills, easy to communicate with the customers. But no a native Finnish speaker.	• Few seats which makes customers to choose other restaurant during busy hours.
• Experience chef, waiter provides better service.	• Limited parking place.
• Free home delivery, which most of the restaurant do not provide.	• All member of restaurant do not have hygiene card.
• Bar is also available, where customer can enjoy both Nepalese and Finnish drinks.	

These are some of the risk and its management I figured out through interview. There are improvements to be made for better service and long lasting business of the restaurant. Simple and big risk, both needs to be taken in to account.

5 IMMEDIATE SOLUTIONS

Small restaurants do not require many employees to operate. Royal Mustang Ravintola too do not have limited employee. It is operated seven days a week, that makes everyone busy with their work. This makes them to neglect small and simple risk due to lack of time. Only long term and big risk are taken in account. Similarly, limited resources are available to treat identified risks. Utilizing their own available resources can be the better solution.

5.1 Weekly or Monthly meeting

Every employee has their own task to be performed. Risks can be found in their re-spective task. Weekly or monthly meeting should be performed so that all worker can consult and find a wsay to treat the identified risks. Suggestions and recommendations should also be listened from every employee and should be taken in to account. Owner might not know the risk involved in the task of other employee. Conducting a weekly or monthly meeting helps to minimize certain risks.

5.2 Market research

Regular market check is a way to identify the huge threat to any company. Market is a huge place where we can find many risks that might affect the company. The timely market research will help a company to be well prepared for upcoming risks. At least this will help to identify the risk and helps to prepare plans with available resources to tackle them.

6 CONCLUSION

With all the findings and research, we can conclude that Royal Mustang Ravintola has moderately minimized risk. Though they have not used any concrete risk management process, they are able to do it through the market study and previous experiences. As far they have managed to overcome market and competitive risk, not fully but partially. Following proper risk management strategy would make their risk handling process more efficient and effective. Similarly, the service they have been providing has made their customer happy but there are some risks they have miscalculated. Change in taste and preference of customer is a risk to loose the customer. Its going to be a year of their opening and they have managed to add only one to two items in their menu. Limited parking area, limited seats, limited employee are some drawbacks that can bring risk of customer choosing other alternative places to eat. On the contrary, they have managed to satisfy their customer by providing free home delivery service, their polite behavior, moderate security service, genuine Nepalese taste, almost 24 hours

opening. These are plus point of the company which has managed to overcome service and competitive risks.

Many Nepalese, including me, are in love with the food they have been providing. We have found best Nepalese food serving restaurant in the town. It is because of their good Nepalese variety and taste they have. In conclusion, moderate risk management can be found using their own available resources. However, there are rooms of improvement to be made and that can be done with proper risk management process.

7 RECOMMENDATION

As mentioned in conclusion, no any proper risk management strategy is followed by them. So I would like to recommend for appropriate strategy to be applied. Moreover, hiring a risk management manager can be a better option. If that might cost more to them, instead of hiring, consulting with managers on regular basis would be cheaper and efficient. Similarly, increasing or finding specific parking area belonging to restaurant is needed. Increasing the number of seats or finding a spacious place is also an option to attract new and more customers. Adding certain number of employee can make their service faster and reliable. Decorating restaurant with Nepalese cultural items, such as, lamp, pictures can add uniqueness to their service. As their restaurant is situated in Pori, Finland, they can add some items that symbolizes culture of Pori. For instance, Pori ice hockey team flag, dress, picture and also coat of arms of Pori. This can bring diversity among Finnish people and make them realize that they care for their culture as well.

As they have been following the legal issues, they should give continuity to it. Such as, timely payment of salary, bills, insurance, taxes. Transparency is a symbol of legal business. It will help to overcome the reputational risk in future. Adding more variety to their menu, providing offers can be other idea of improving services and attracting customer. They can also improve their security by adding proper exit point and door locking system. While visiting the restaurant, I found their door was not working properly. They should maintain it or new lock system should be installed.

More often being and adding uniqueness in a business can bring surprise visit from customers. Keeping dress code for waiter can bring that uniqueness. Being a Nepalese restaurant, waiter wearing Nepalese traditional dress shows cultural diversity. In addition, clean and tidy dresses for chef and for employees working in the kitchen should also be provided, which shows hygienic behavior of employees and restaurant as a whole. As far, they have managed to keep restaurant clean and tidy. In order to be more hygiene conscious, I would recommend them to hire cleaning company for good cleaning. It can be expensive to hire cleaning company to clean on daily basis, but they can hire them to clean once in a week or a month.

In a restaurant, one should communicate a lot, while taking orders or serving food or delivering food. Finnish language is one of the toughest language. Not being a native Finnish speaker can bring communication gap between customer and the staff. Hiring a native Finnish speaker as a staff can eliminate that communication gap. In addition, more marketing should be done in order to make restaurant more visible. It is a new restaurant in the market and the location has made it difficult for people to find it. Placing sign boards in different areas and around the restaurant will eliminate bad location risk. Advertising about their food quality, price and service also be done which can attract customer.

Risk capacity is the capability of a someone to take risk. If risk capacity is high than a person is more capable of taking risk. Higher risk capacity in a manager builds the good decision making capability. As from interview, we can see that they are only focusing on big risk or issues but neglecting small and medium risk. Owner should increase the capacity to take on every or most of the risk and eliminate them. Similarly, finding a new spacious place has been their early plan but no effort nor execution of plan has been taken. I would like to recommend them to find a new spacious place or try to extend same place by adding more seats.

These are risk and recommendation to eliminate those identified risk. These recommendations will certainly help to find solution to the identified risk, also improve the service and enhance the competitive advantage of restaurant.

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Questionaries'

Interviewer: Ajeet Lowagun B K

Interviewee: Shah Kapil Dev, Owner of Royal Mustang Ravintola.

1. Have you ever applied any risk management strategy? How?

   We have not used any systematic approach of risk management strategy. But to control some risk, we do it by formal discussion with experience member of our restaurant. But no systematic procedure is applied.

2. What are company's top risk, how is their impact and likelihood of occurrence?

   I would say competitive market is our top risk. It was hard to compete with already established restaurant in Pori, Finland. The impact was not that bad, as we overcome the competitive market with our better service and better quality and Nepalese food.

3. Can you tell me any past or present risks that you have faced?

   As our restaurant was established in January 2017. Extreme winter was risk for our restaurant. Some people find it hard to come to restaurant and eat during winter. This affected our sales slightly. But we have been providing free home delivery service and that has increased our sales.

4. How have you overcome the risk, recently or lately?

   We haven't used any basic risk management strategy, but we are encouraging our employee to give their more than 100% in customer service and variety of taste in food recently. During our early time, we opened our restaurant from 11am to 4am during weekend. It was our marketing strategy as well as we want to provide our best customer service. However, due to lack of employee we had to stop that service.

5. Any possible plans that you have made to overcome the risky competitive market?

   Yes, we are doing good and as far have overcome the competitive market as well. But we are planning to rent new spacious place with a good location.

6. Does every employee have hygiene card? How conscious is your restaurant in terms of safety?

   We have two people working in the kitchen and one serving food. All three of them has hygiene card. Only the delivery boy does not have the hygiene card.
   We have installed fire extinguisher, CCTV, first aid kit, etc. Similarly, we have 3 exit point in case of any accidents. I would not say we have every safety measure but we have enough to keep our customer safe.

7. How satisfied do you find your customer? Have there been any regular customer?

   As far our customers are very happy with our service and food we provide. We ask them for feedback as well. There are many customers who have visited us in regular basis. I think this proves that they are happy with our service.

8. What can be the possible future risk that you have suspected?

   Change in taste and preference might be the future risk. But we are dealing with it by adding new items to our menu. We recently added pork item which you cannot find in every Nepalese restaurant.

9. What are your future expectation from this restaurant?

   Our business is in pretty good condition. If it continues with the same flow, we are planning to open in a new place adding more seat and better facility than this.

10. Do you have suggestion box here? How seriously have you taken the customers feedback?

   We do not have suggestions box in our restaurant but we do have it in our website. Our customer can give feedback, suggestions and rate our service through it. We always welcome feedback because that is the way we can improve our service.

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