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THE IMPACT OF RISK MANAGEMENT STRATEGY IN BUSINESS RESILIENCE: A CASE IN COFFEE BEDA

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ABSTRACT

As the public's interest in coffee shops grows, numerous new entrepreneurs enter the market. As a result, having a risk management strategy as an instrument to prevent or even eliminate uncertainty is necessary, especially for a new business. This study aims to ensure that many Indonesian coffee shops take adequate steps to be resilient in the face of this chaotic pandemic, while also recognizing the Management Risk. An interview and a literature review will be conducted as part of this project. According to the findings, many Indonesian coffee shops are unaware of the significance of establishing a risk management strategy in order to be resilient.
Keywords: Business Resilience, COSO Framework, Risk management, Small-Medium Enterprise

BACKGROUND

People today are busier and more mobile. They often spend a lot of time away from home to go to work, meet friends or simply relax amid their busy lives. This is evidenced by the number of people who visit coffee shops more often than at home. Coffee shops not only serve food and drinks but also have amenities that can bring convenience to customers. It's no surprise that visitors to the coffee shop spend hours there.

The rapid growth of coffee shop innovation through digital technology has real value, is easily accessible and offers convenience. This is evident in the fact that most coffee companies use social media as a means of advertising. People want to know more about coffee shops popular with young people and therefore take advantage of social media to learn more. Because updating or following hot topics can strengthen social spirit and lead to new discoveries for young people (Dewi, 2021). But unfortunately, in the past 2 years, Indonesia and the whole world have suffered the consequences of the Covid-19 pandemic.

The economic instability caused by the Covid-19 epidemic has become so severe that it has caused a global economic recession. These crises, unlike previous crises, hurt both the supply and demand sides of the economy. As a result, some countries are facing growth challenges. Several global financial agencies estimate the Covid-19 outbreak will cause the global economy to contract by 2.0% to 2.8% in 2020, compared with an estimated 2.9% growth for 2019. At the same time, the Covid-19 pandemic was also predicted. to reduce global trade. and investment flows of up to 30% and increased global financial market instability by 215%. It is estimated that a significant decline in various economic activities globally will result in at least 195 million jobs being lost and between 420 and 580 million people falling into poverty (Maryanti et al. , 2019).

Of course, in this context, all business owners need to think about how to survive. In this case, a good risk management strategy is needed to overcome any impact that Covid-19 causes. Risk management is defined as a coordinated effort to direct and regulate risk management within ISO 31000 (in Miayer & Aubert, 2020). This term defines the breadth and depth of the risk being assessed. Therefore, during the period affected by the Covid-19 pandemic, business owners such as coffee shops of course need a lot of considerations to continue operating their business. Therefore, good risk management in the company is necessary.

The coronavirus outbreak has shown how unprepared many businesses are to deal with catastrophic disasters. In some cases, access to public infrastructure is also limited among other issues. Many organizations have faced these difficulties, leading to severe decline or collapse (Beninger, S. and Francis, J. N. P., 2022). To address these existing problems, businesses must develop strategies to become stronger in the face of such complications. Resilience refers to the ability of a system to maintain both its operations and structure in the face of change (Allenby & Fink, 2005). Resilience can help businesses cope with adversity (Linnenluecke, 2017), and the pandemic has made building that capacity even more important for them (Zhu et al., 2020).

COVID-19 has shown that business and supply chain resources may not have the flexibility, diversity, or shortfall necessary to remain resilient during the current crisis (Zhu et al. , 2020). Companies often focus on a small number of resources, such as those directly controlled by them or those directly related to their core business. Based on the above context, it is argued that risk management is defined as a coordinated effort to direct and operate a risk management organization within ISO 31000 (in Mayer & Aubert, 2020). Additionally, this becomes very important as Indonesia and the world are affected by the Covid-19 outbreak. However, the study will lead researchers to determine how management can help cafes in Indonesia during the Covid-19 pandemic, from which the author will pose the research question: "Which risk management strategies can assist Indonesian cafe to survive and expand after the crisis?"

THEORITICAL FRAMEWORK

Business Resilience

Business resilience is described as “the ability to adapt constructively to major changes and cope with unforeseen risks” (Ritter & Pedersen, 2020). The business environment, according to chaos and complexity theory, is fundamentally complex, uncertain, and dynamic (Ribeiro & Cherobim, 2017). Resilience is associated with personality traits and refers to a dynamic developmental process (Braes, B.; Brooks, D., 2010). Resilient businesses not only have the short-term adaptability to recover from intense upheavals, but also the long-term adaptation and innovation skills needed to make significant changes to their business models. of them after crises and disasters (Li, B., Zhong, Y.Y, Zhang, T. and Hua, N., 2021). (Walker et al, 2002) define resilience as the ability of a system to maintain operation when interrupted, or the ability to retain elements necessary to update or reorganize the system's operation. Dahles and Suilowaiti (2015) define resilience as a company's ability to survive, adapt, and innovate in turbulent environments. Three different perspectives on corporate resilience are implied in this concept. First, resilience is understood as a company's ability to restore operations and its ability to return to normal pre-crisis levels; However, it is also acknowledged that environmental disasters will lead to the emergence of a new “normal” (Prideaux et al., 2003). Accordingly, a company's ability to implement incremental changes and new business concepts through improvements to existing products, processes, and systems is a second explanation for resilience. . A third perspective on resilience concerns how a crisis or disaster can affect society. Business resilience enables organizations to respond quickly to disruptions while maintaining sustainable business operations and securing people, assets, and overall brand equity (Simeone, C. L., 2015). Business resilience is responsible for identifying and understanding the major organizational and operational risk s associated with the delivery of products and services, as well as the long-term viability of operations in emergencies, with key focus areas including products and services, staff and management, operations and facilities, customers and business partners, and the total value chain (Simeone, C. L., 2015).

Risk Management

Risk is a crucial notion in many science topics, but there is no agreement on how it should be defined and perceived" (Aven, 2011). There are four different sorts of risks (Hopkin, 2017): 1) Compliance (or mandatory) risks. A company's exposure to legal fines, financial forfeiture, and substantial loss as a result of failing to follow industry laws and regulations, internal policies, or prescribed best practices. 2) Hazard (or pure) risks. Risks that can only have a negative outcome. 3) Control (or uncertainty) risks. Risk control is a process that entails putting risk response plans in place. 4) Opportunity risk. Taking on activities involving this type of risk with the expectation of a positive return.

Identifying and measuring risk is an important part of project risk management, since it allows for proper risk mitigation planning and control (El-Sayegh,2018). According to Watt, A. (2014) there are four strategies to address risk : 1) Risk Avoidance - The wisest course of action is to avoid and prevent. 2) Risk Reduction - If not possible to avoid, reduction and counter-solution. 3) Risk Transfer - Buying insurance and transferring the risk to someone else to accept. 4) Risk Acceptance - Acceptance of risk when it cannot be avoided, minimization, and transfer, and then finding alternate solutions if it occurs.

If an organization can assess risk management, it is justified as effective (Hubbard, 2020). Measurement, according to management consultant Peter Drucker, is the "fourth basic element in the manager's task." As far as risk management is concerned, the most important rule is to reduce and minimize risk in every given situation (Hubbard, 2020). As a result, risk management is a stage in the formulation process that deals with determining barriers.

The risk management strategy will include specifics about what the organization hopes to achieve in terms of risk management. Steps for risk management strategy (Hopkin, 2017): 1) Identify the risk, 2) Asses the risk, 3) Minimize or eliminate risk, 4) Assign responsibility for task, 5) Develop plans, 6) Communicate the plan, 7) Monitor strategy.

COSO Strategy

The COSO Framework is a set of guidelines for incorporating internal controls into company processes. When considered together, these controls provide reasonable assurance that the organization is operating ethically, transparently, and in compliance with industry norms. The COSO approach, which is primarily concerned with framework considerations, does not distinguish between the framework and the risk management process itself in the same way. When adopting and supporting the risk management process, the risk management framework must make communication and the flow of risk information easier. There are two distinct considerations in the risk management framework. First and foremost, it must be helpful to the risk management process. Second, it should also guarantee that such outcomes of the process are communicated to the company and also that the expected benefits are realized.

In the context of COSO ERM, aims, these are the goals that an organization aims to attain, and enterprise risk management components help them achieve them. which are the requirements for accomplishing them, have a strong correlation. In COSO ERM, the risk classification systems are consist of: Strategic, operations, Reporting, and Compliance. The COSO risk grading system isn't always accurate and has a number of problems. Strategic risks, as an example, operations may occur, in addition to reports and compliance. Regardless of these faults, because it is the acknowledged and recommended approach for meeting the Sarbanes–Oxley Act's obligations, the COSO design is commonly employed.

COSO FRM Framework are : 1) Internal environment – The tone of an organization's internal environment provides the foundation for ways risk being viewed and dealt with. 2) Setting objectives – Whether management may identify likely increasing the frequency their accomplishment, goals must exist. 3) Event identification all internal and external influences that affect goal achievement must be identified, with challenges and opportunities distinguished. 4) Risk assessment – As decide how risks should be handled, they are assessed in terms of likelihood and impact. 5) Risk response – Management must decide if risk should be avoided, accepted, reduced, or shared. 6) Control activities – To guarantee that risk responses are carried out successfully, policies and procedures are developed and implemented. 7) Information and communication – Important information has been discovered, recorded, and disseminated so that people can fulfill their obligations. 8) Monitoring – The entire company risk management system is kept an eye on and changed as needed

The role of cost in the aerospace field is seen as an approach that can help finance knowledge and information through products and services. Costs are expenses that must be paid regardless of the number of companies that make a loss, this can have an impact on the influence in determining the form of service of a product. At the cost of this product there is an abbreviated PCE technique, namely Product cost estimation, this has been categorized using specifications by many people.

Niazi and his colleagues have categorised the Product cost Estimation techniques into two method there are qualitative and quantitative, there are many ways to classify PCE approach on the classification of the estimation techniques (Niazi et al., 2006).

The basic idea of this technique is to identify whether a product has something in common with previous products. Applying this type of method can generate costs that are normally estimated or take parameters of a product that differ throughout the product's life cycle into production calculations. This method can approximate the general approach by obtaining more accurate costing results and helps to obtain quick and rough estimates at the initial conceptual design stage of a product.

Risk Management in Business Resilience

ISO 22301:2012 'Societal Security – Business Continuity Management Systems – Requirements' replaced British Standard BS 25999:2006 Part 1 'Code of Practice – Business Continuity Management', indicating the increased knowledge and concern about resilience. other ISO 22300 series standards are indeed being created, and initiatives to develop resilience standards in other nations are underway The organizational Resilience Standard (ASIS SPC.1-2009) National Institute of Standards and Technology is one of the most well-known resilience requirements. It is vital to establish the desired state of resilience before attempting to make an organization more robust (Hopkin, 2017).

Resilience is structuring contemporary considering about long-term sustainability in a climate of rising risk and uncertainty. It is a core idea concerned with how a system, community, or individual can deal with disruption, surprise, and change (Mitchell, T., & Harris, K., 2022). In the context of risk management, constructing and improving resilience means constructing incorporating systems a number of risk management approaches. Since the goal of entirely removing risk is impossible in many policy sectors, Several systems will have to investigate all possibilities at the same time, which may not be proportional

Life Cycle Cost

In addressing machine life-cycle costs in current services and related products, effectiveness is usually limited by cost and scale at the time of changes in testing activities, design, etc. On the life cycle the cost impacts of design changes are often less effective or direct than from optimizing maintenance and control practices. In the life cycle cost, there are various costs which include: Product Acquisition, Operation and Support on the product, and Product disposal.

Based on existing data, this theory has shown that in general public design underestimates the operating and maintenance costs of mechanical products in relation to shipping costs. This component is very dominant in the initial selling costs and with spare parts consisting of 30% to 50% of repair invoices and very focused on acquisition cost reduction components. This explains also that focusing only on component costs is left at 50% of the total cost. Therefore, this theory aims to balance the acquisition costs, disposal operations related to the profit margins of producers and the impact on operating costs for consumers (Harrison, 2006).

Measuring Customer Satisfaction

Small and medium-sized enterprises (SMEs) play a vital part in the majority of economies across the world (Ayyagari et al., 2007; Burgstaller and Wagner, 2015) For example, in the European Union, SMEs account for about 99 percent of economic activity and employ two-thirds of all private-sector workers (Gama and Geraldes, 2012). As compared to bigger organizations, SMEs are often seen to have simpler internal organization and, as a result, to be more flexible and faster at responding to and adapting to change (Lavia Lopez and Hiebl, 2014). According to Naicker (2006), SMEs' issues may be classified as follows: 1) Economic issues: SMEs' success is linked to local economic conditions since the SME sector's market development is normally at the same rate as the macro economy as a whole; hence, if there is an economic slowdown, SMEs will usually also have trouble (Berry et al., 2002). 2) Enterprise-level issues: Internal factors such as poor staff planning, multi-functional management, high employee turnover, inadequately trained employees, low productivity, and difficulties in recruiting quality staff are impediments to SME success (Rogerson, 2004; Beaver, 2002; Williamson, 2000; Lighthelm et al., 2002; Watt, 2007).

Risk management may assist SME managers in identifying significant hazards that could endanger the company's performance or survival in time to deal with them effectively (Miller, 1992; Brustbauer, 2014). In the worst-case scenario, misjudging or failing to detect risks can have severe implications ranging from customer loss to damaging liability, environmental harm, and potentially even bankruptcy (Hollman and Mohammad-Zadeh, 1984). However, many SMEs do not – or do not utilize risk management approaches properly, mostly because they cannot afford to rededicate resources due to financial restrictions (Marcelino-Sádaba et al., 2014). Most SMEs leave risks uncontrolled until they become apparent, only then taking steps to address them (Ntlhane, 1995).

According to Falkner, E. M., & Hiebl, M. R. W. (2015), there are different types of risk in SME. 1) Interest Rate Risk: According to the present research, SMEs are largely dependent on external funding, and as a result, a loan is typically the only form of financing accessible (Altman et al., 2010; Mutezo, 2013; Gama and Geraldes, 2012). Adopting the SMEs' point of view, Bruns and Fletcher (2008) found that for SMEs with a bad financial situation but a high risk appetite, the chance of loan being granted reduces more than for enterprises with a solid financial position. 2) Raw Material Price Risk: According to Moore et al. (2000), as agricultural markets are adopted and subsidies are eliminated, a growing number of SMEs are seeking for strategies to minimize the volatility of their raw material prices. Rising commodity prices could no longer be consistently passed on to customers due to an increasingly competitive industry.3) E-business and Technological Risk: According to the SME managers surveyed in the Sukumar et al. (2011) study, consumer confidence is one of the most significant variables in online business. Sukumar et al. (2011), on the other hand, suggested that it is frequently difficult for SME managers to create such trust due to their small firm size and amount of transactions. 4) Supply Chain Risk: SMEs are frequently restricted to using only one supplier for product procurement. Any issues with the supplier may result in production disruptions, posing yet another substantial supply chain risk for SMEs (Ellegaard, 2008).

In SMEs, the risk management role is often centered on the owner's appraisal of the enterprise's threats and opportunities (Watt, 2007). Although risk management concepts apply to all types of businesses, the owner-risk manager's assessment and attitude toward risk management determine the effectiveness of the enterprise's risk management operations (Ntlhane, 1995). Risk management is the key premise that entrepreneurial or managerial attention should be on recognising future uncertainty, contemplating hazards, probable manifestations and impacts, and making plans to address these risks and limit or eliminate their influence on the firm (Ntlhane, 1995). One of the abilities required of entrepreneurs is the capacity to detect and analyse risks in order to take benefit of calculated risks (Watson, 2004).

A strict risk management procedure may assist SMEs to deal with the risks listed above. The risk management process, according to Hollman and Mohammad-Zadeh (1984), consists of five key phases (detect risks, evaluate risks, choose approaches, execute strategy, control). 1) Risk Identification: According to Hollman and Mohammad-Zadeh (1984), identifying potential sources of loss and, therefore, risks is the first stage in the risk management process, which should be done consistently and methodically. 2) Risk Analysis: The second phase in the risk management process is risk analysis, which entails measuring or calculating the possible frequency of losses and the potential impact of a risk on the company's operation. As a result, the risks may be prioritized based on their relevance to the firm (Hollman and Mohammad-Zadeh, 1984). 2) Selection Technique: Risks may be addressed differently once they have been discovered and studied (Hollman and Mohammad-Zadeh, 1984). 3) Strategic Implementation: According to Hollman and Mohammad-Zadeh (1984), the fourth phase in the risk management process consists of applying the selected techniques after the risks have been identified and studied, and a choice has been made as to which method would be utilized to avoid or deal with the risks. Furthermore, they suggested that all concerned workers be aware of the company's risk management objectives.4) Control: The final phase in the risk management process is to examine the new strategies and measures on a regular basis to verify that they still meet the current needs. According to Hollman and Mohammad-Zadeh (1984), SME should set performance standards or criteria to efficiently and continually monitor the risk management process.

Moreover, Watt (2007) suggests that SME owner-managers consider the following phases in their risk management process: Developing the SMEs risk strategy, Determining the SMEs risk appetite, Risk identification and assessment, Risk prioritization and management.

SMEs rarely put in place a fully functional risk management system that includes risk identification, assessment, treatment, and monitoring. This is why many SMEs fail within the first five years of operation, because the owner conducts his own risk assessment (Tan, C., & Lee, S. Z., 2021). Small and medium-sized businesses have limited experience in developing a systematic risk management framework because they lack sufficient expertise in risk management systems to evaluate all components of risk management in their organization (Salikin, Ab Wahab & Muhammad, 2014). Owners will only fully implement risk management when they recognize its potential to increase long-term profit and make their organization more competitive in changing circumstances (Tan, C., & Lee, S. Z., 2021). Although it is uncommon for SMEs to implement a proper risk management system, the majority of scholars agree that SMEs benefit from it. They will have a more risk-friendly and long-term future because risk management is supposed to be a continuous process (Kaur, 2010).

RESEARCH METHODOLOGY

The research will be qualitative in nature, using both primary and secondary data collection to answer the research question and gain in-depth knowledge of the case topic, which will be supported by complete material. Primary data was collected from interviews with stakeholders who were the founders of Coffee BEDA. Secondary data is collected from articles, websites, and academic resources, generating hundreds of articles selected by the author based on the most relevant titles, abstracts, and conclusions as reported on the topic. topic of this research. The interview was conducted in the form of an online meeting via Zoom Meet.

RESULTS AND DISCUSSION

Coffee BEDA is a coffee shop located in Bumi Serpong Damai, South Tanggerang, Indonesia. This cafe has been in operation since 2019. This cafe offers food, drinks as well as a comfortable space for meetings, and students often go there to study or do homework. According to their founder, business strategy is important because to achieve business goals, business strategy needs to define short-term and long-term working and marketing processes. On the other hand, business strategy can be used to identify dangers in the workplace or in a company's competitiveness. Business strategies can be used to minimize risks in the workplace or to determine the next step in management. Strategically, Coffee BEDA strengthens its direct approach to dine-in customers by providing the best service, strongly promoting products and locations with full amenities such as free WIFI, meeting rooms, open spaces and discounts on social networks, along with the aim of attracting a large number of customers. The sales target is 50% dine-in, 30% takeout and 20% online orders. Companies should have standard operating procedures as employee working tools and set sales and marketing goals for employees to achieve using promotions as key performance indicators (KPI). On a monthly basis, management will review all identified work processes and business successes with employees to take further action if necessary.

When running a business, not everything goes well. There are several risks to be faced, due to internal or external factors. As mentioned earlier, there are compliance risks, risks, controls, and opportunities. Causes differentiate them. As entrepreneurs, it is essential to prepare for the possibility of uncertainty and work to mitigate risk to maintain effective resilience. Therefore, a risk management strategy is needed. In Coffee BEDA's view, a business must have a risk management strategy because knowing that there are potential risks to the business it is managing helps plan and take action to avoid or reduce. Minimizing the impact of risks becomes easier. However, Coffee BEDA owners found implementing risk management quite difficult.

As we know, it has been two years since the pandemic struck. The COVID-19 outbreak is a stark reminder that pandemics, like other extraordinary tragedies, have happened before and will happen again. The current pandemic is causing major economic consequences worldwide and it seems that no country is immune. This has consequences not only for the industry but also for society as a whole, leading to significant changes in business and customer behavior. This epidemic shows the importance of being resilient in an uncertain world. During a pandemic, major changes occur across the board, including government regulations requiring people to stay home. Most people have been quarantined for nearly a year, which has significantly impacted operations.

Following the steps of building a risk management strategy (Hopkins, 2017), Coffee BEDA has taken the first step of identifying risks. Coffee BEDA is located in a residential area and school. Before the pandemic, the majority of sales were made through dine-in service. Community sales, such as those from cycling and women's organizations, are also undertaken. As the pandemic spread, customers' purchasing patterns also changed; most customers buy coffee products online; customers don't come in when they buy coffee or other drinks, reducing sales by up to 60%. This is a difficult situation to maintain business operations. Coffee BEDA evaluates risk by accepting it, since the risk cannot be avoided, minimized or transferred, then find another solution if it occurs and accepting it is the only option. To survive, Coffee BEDA changed its strategy. To improve sales, Coffee BEDA has switched from direct purchases to online sales, partnering with many online shopping applications and participating in discount campaigns such as Go Food, Grab and Shopee Food. Some headcount has been reduced and some elements of employee compensation have been eliminated to reduce operating costs. Coffee BEDA is also trying to expand its business by partnering with Luberger. Luberger is a food brand specializing in burgers. Participation levels were already high before the epidemic. This can help Coffee BEDA expand its market. In addition, to eliminate risks, Coffee BEDA is also reducing operating costs by laying off some employees and eliminating some elements of employee income.

The reason BEDA Coffee chose to expand its business to survive is because of its huge market potential; Almost everyone, especially millennial love coffee, which is increasing in number. The diverse site environment benefits service and proximity to residential areas. As part of this new strategy, BEDA Coffee is developing new beverages beyond coffee. They are conducting a new market survey, testing market preferences for menu items beyond coffee and how to fully order online. The challenges with Coffee BEDA using this strategy are rising raw material prices, low employee productivity, government regulations, and reduced sales revenue, all problems during the pandemic. Many food and beverage businesses are looking for ways to stay afloat during the outbreak and many are starting to operate from home, making it extremely difficult to compete on price, leading to relatively low profits. Another issue that arose was government regulations limiting the number of visitors to company locations, which was a challenge in itself. However, some strategies such as gradually increasing sales via the Internet have been implemented successfully. BEDA Coffee is becoming famous among the public, especially Millennial, thanks to online media. Coffee BEDA was able to maintain operations despite successfully reducing operating costs.

CONCLUSION

Coffee BEDA, as a startup firm, believes that having an adequate strategy is critical for business. However, the strategy will not work as planned due to the uncertainty caused by internal and external factors. Therefore, every company should have risk management strategy to reduce even to eliminate the risk. Everything altered during the pandemic. Everyday activities should be limited, and quarantined was mandatory for nearly a year. According to the interview, Coffee BEDA should shift its revenue strategy from dine-in customers to online orders. This is extremely difficult since, as a new firm, Coffee BEDA lacks market engagement. As the pandemic spread, most customers bought coffee items online; customers did not come when they bought coffee or other drinks, which reduced sales by up to 60%. As a result, Coffee BEDA made the decision to expand its operations. However, during the pandemic it is agreeable that the coffee shops should reduce their operational cost by reduce the opening hours and decrease the expense by reduce the raw material. Moreover, for Coffee BEDA, it develops new beverage items aside from coffee. They also conduct a survey for their new market, examining market preferences for non-coffee menu items and how to make online ordering sufficient. Then, Coffee BEDA began accepting online orders in collaboration with delivery companies Go-Food and Grab Food. Coffee BEDA collaborates with Luberger, a well-known brand known for its burgers, to increase engagement. Coffee BEDA encountered difficulties when doing so. High competition from other companies and government regulations are the challenges. According to interview with another coffee shop, they also face the same challenges.

Many food and beverage businesses try to stay afloat during the epidemic, and many people start a home-based business, making price competitiveness extremely difficult, resulting in relatively small earnings. Another difficulty that arises is that government restrictions restricting the number of visitors allowed at company locations are a challenge in and of themselves. Coffee BEDA, on the other hand, could handle it successfully thanks to their risk management plan. Some techniques, such as progressively rising internet sales, were effectively executed.

As a result, the author concludes that the risk management method applied by Coffee BEDA is risk acceptance. The rationale for this is because a pandemic situation is unavoidable. The unpredictability in this situation is very high, leaving the company with just two options: implement a new plan that is in alignment with the situation or give it up. Moreover, Coffee BEDA is already aware of the importance of risk management. It shows on how Coffee BEDA did was align with COSO Framework. For internal environment, the company successfully identify the risk which caused by pandemic. Then the company setting the new objectives that lead to changes in business strategy. For event identification, Coffee BEDA distinguished the challenges and opportunities for their new strategy. Moreover, the risk assessment and risk response were conducted. For information and communication has been discovered as mentioned before through customer survey. And the company is kept an eye in order to monitor the new strategy. However, when implement this risk management, the author believes that Coffee BEDA is still lacking in control activities. The new procedure for implement the new strategy is still not clear due to the reason this is the first time Coffee BEDA uses online orders as their main focus. Another reason is because there is no a separation between ownership and management. This is noticeable by how the CEO of Coffee BEDA is also the person who control and manage the entire company's activities.

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