FACULTY OF ECONOMICS TUL

Master Thesis

Risk Management in an International Environment

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Master Thesis Assignment Form

Risk Management in an International Environment

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- CAVUSGIL, S. Tamer, Gary KNIGHT, John R. RIESENBERGER, Hussain G. RAMMAL and Elizabeth L. ROSE, 2014. *International Business*. Boston: Pearson. ISBN 978-1-4860-1138-4.
- HUNZIKER, Stefan, 2019. *Enterprise risk management: modern approaches to balancing risk and reward*. Wiesbaden: Springer Gabler. ISBN 978-3-658-25356-1.
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Annotace

Cílem této diplomové práce je obecně porozumět riziku v oblasti řízení rizik a identifikovat a identifikovat specifická rizika kurzového, politického a COVID rizika v praktických obchodních situacích. Tato práce o řízení rizik se však zabývá řadou rizikových témat, včetně systematického a nesystematického rizika, a v teoretické části také zkoumá proces a různé metody řízení rizik. Dále se v praktické části práce zaměřuje na různé metody řízení rizik ve vybrané společnosti (Thomas Cook India). Aby se předcházelo rizikům, jsou rizika identifikována, měřena a vyhodnocována a jsou určena protiopatření. Pro posouzení závažnosti rizik jsou v práci využívány techniky jako SWOT a PESTLE analýza, rozhovory, identifikace rizik a matice rizik k určení rizika ve společnosti a na základě analýzy byly vypracovány výsledky a návrhy.

Klíčová slova

Riziko, Řízení rizik, Proces, Techniky nebo metody, Indie, SWOT analýza, PESTLE analýza, COVID riziko, Politické riziko, Směnné riziko.

Annotation

The goal of this master's thesis is to have a common understanding of risk in the field of risk management and to identify and the specific risk of the exchange rate, political, and COVID risk in practical business situations. However, this thesis on risk management looks into a number of risk-related topics, including systematic and unsystematic risk and also it explores the process and various risk-management methods in the theoretical part. Furthermore, in the practical part, the work focuses on various methods for managing risk in a chosen company (Thomas Cook India). To prevent the risks, risks are identified, measured, and evaluated, and countermeasures are determined. In order to assess the seriousness of risks, the work employs techniques like SWOT and PESTLE analysis, interviews, risk identification and risk matrix to determine the risk involved in the company and based on the analysis, results and suggestions were drawn.

Key Words

Risk, Risk management, Process, Techniques or methods, India, SWOT analysis, PESTLE analysis, COVID risk, Political risk, Exchange rate risk.

List of abbreviations

BS	British Standard
CRO	Chief Risk Officer
ECLGS	Emergency Credit Line Guarantee Scheme
ERM	Enterprise Risk Management
FY	Financial Year
GST	Goods and Services Tax
INR	Indian Rupees
IPR	Intellectual Property Rights
ISO	International Organization for Standardization
IT	Information Technology
KYC	Know Your Customer
MICE	Meetings, Incentives, Conferences & Exhibitions.
PACED	Proportionate, Aligned, Comprehensive, Embedded, and Dynamic
PESTLE	Political, Economic, Social, Technological, Legal, Environmental
R&D	Research and Development
RPA	Robotic Process Automation
SWOT	Strengths, Weakness, Opportunities, and Threats
TCIL	Thomas Cook India Ltd
UAE	United Arab Emirates
USA	United States of America
USD	United States Dollar

Table of Contents

Table of figures

List of tables

Introduction

Life is full of uncertainties, and risks are an unavoidable part of all human endeavours. These dangers have the potential to influence our actions, decisions, and beliefs, and businesses are no exception.

However, it wasn't until Pascal's work in the 17th century that risk understanding and quantitative decision-making suddenly advanced. The term "risk," in the sense that most people use it today, has etymological roots that date back to the late Middle Ages. Furthermore, while its practical application first emerged during the colonial era, more contemporary notions of risk did not emerge until gradually, as society evolved from one based on traditions to one based on modern values. Following the Second World War, larger and increasingly complex technological systems emerged. This increased attention to probability and risk supported a scientific, mathematically based approach to risk and risk assessment (Zachmann, 2014).

Likewise, risk management has become increasingly important in today's business environment due to various factors such as globalization, technological advancements, and changing customer needs and expectations. Companies operate in a dynamic, complex environment where they are exposed to a variety of risks, including reputational, operational, financial, and legal risks. Effective risk management enables businesses to recognize, evaluate, and control these risks in order to reduce the impact they have on the organization's reputation and financial performance.

Additionally, the COVID-19 pandemic has also brought attention to the significance of risk management in businesses. The pandemic has disrupted businesses globally, and companies that were prepared and had effective risk management strategies in place were better equipped to navigate the crisis. They were able to react quickly to the developing situation and lessen the negative effects on their business operations, clients, and staff. Also, the business environment is becoming increasingly regulated, and companies that fail to manage risks effectively can face legal and financial penalties. Effective risk management also aids businesses in preserving their reputation among stakeholders, such as clients, shareholders, and staff.

At the same time, risk management and assessment have a solid scientific foundation and make significant contributions to practical decision-making (Aven 2016). Individuals and organizations can decide how to manage and mitigate risks by conducting a thorough risk assessment. Risk assessments can be carried out using qualitative techniques like risk matrix or quantitative techniques like Monte Carlo simulations and other techniques. Also, a combination of methods may be used to ensure a thorough risk identification and analysis process, depending on the particular needs and circumstances of the organization or individual.

Despite the fact that higher level corporate executives find the subject of risk management to be significant not enough research has been done in this area because of the concept's complexity. Very few empirical studies have examined the connection between firm performance and overall risk management, with the majority of these studies focusing on businesses listed on highly sophisticated and advanced stock markets (Jafari et al. 2011). On the other hand, the majority of articles on risk management place a strong emphasis on comparing how well each risk management system performs only when it comes to preventing a downturn. This could cause risk management to be seen as a means rather than an end in and of itself to improve corporate performance (Mohammed a Knapkova 2016).

Therefore, the **main objective** of the master thesis is to **identify** and **evaluate** the **exchange rate**, **political**, and **COVID-19** risks of a selected company in order to reduce the potential risks on its operations. Additionally, the thesis aims to develop a common **understanding of risk and risk management techniques** to efficiently manage it across the organization and gain a competitive edge. By doing so, the business will be able to maintain its profitability, and manage its risk effectively.

To achieve the goal, the author focuses on defining risk, outlining its components, causes and types of risk in the business environment and also emphasized the benefits of effective risk management, such as better decision-making, lower losses, and increased competitiveness. Additionally, the process and various risk management methods and techniques, such as experts' interview, brainstorming, delphi technique, SWOT analysis, PESTLE analysis and others have been introduced to the readers, with a view to gain an understanding on the concepts of risk and its management.

Furthermore, in the practical portion of the project, considering that the company selected is in the travel and tourism sector, a brief overview of this sector in India is given, followed by a discussion of government support for this sector in India. The practical aspect of the work deals with the application of the discussed qualitative methods in the context of the company- Thomas Cook India, in order to achieve the main objective of the thesis. Therefore, SWOT analysis and PESTLE analysis was conducted to know the internal, external and macro-economic factors that could harm the business. Furthermore, a detailed analysis of specific risk, namely, exchange rate, political and covid risks is done using different methods like interview with the company manager to learn more about the risks of the business. The interview was conducted in one of the branches in India and information is not disclosed based on request and then is followed by identification of risks in order to determine their significance, and the probability with which the identified risks could endanger the business is evaluated. For the purpose of assessment of identified risk, qualitative method, i.e., risk matrix is used to determine the impact and probability of risks. Based on the analysis, results and recommendations are drawn. However, this research is essential for any company that wants to effectively manage risk of exchange rate risk, political risk, and covid risk and also to understand the concepts involved.

The theoretical work is mainly based on the professional sources from the articles, journals, books and also few of the work includes other internet sources. The practical work was mainly done based on the reports of the company, referring few professional sources like qualitative interviewing (Brinkmann 2013), managing political risk assessment (Kobrin 2022), brief review on COVID (Rod et al. 2020), exchange rate (Francis et al. 2017), and other online sources like travel and tourism-India, overview of SWOT and PESTLE analysis, Thomas Cook India management discussions, Statista and so on.

1. Risk

Risk is a broad concept in international business. When conducting business, risks are inevitable. Many types of risk can affect your business including IT, operational, financial, legal, regulatory, political and strategic risks. Most of them can be both opportunities and threats, and they can have an impact on your ability to accomplish your business goals.

All businesses and investments involve some level of risk, and long-term success depends on having the ability to effectively manage that risk. The most common source of risk is uncertainty. This risk can arise in organizations as a result of market uncertainty (demand, supply, and the stock market), project failure, accidents, natural disasters, and so on. Different tools are available to deal with different types of risks. Risk management entails identifying potential risks, assessing their likelihood and impact, and implementing strategies to reduce or transfer those risks. In today's dynamic and rapidly changing business environment, risk management has become an essential component of corporate strategy and decision-making.

In one of the articles, namely, An Ontological and Semantic Foundation for Risk, Safety and Security Science (Blokland a Reniers 2019), tells that the desire for human control over the future is closely related to the concept of risk. In essence, the development of commerce in the colonial era during the Renaissance coincided with the emergence of the concept of risk as we commonly use it today, a period in which science began to challenge the superstitious beliefs associated with religion. It was a time of global expansion and international trade of novel and scarce goods that gave rise to a new reality. It was risky to conduct business with far-off nations and distant destinations. Large profits were expected, but equally large losses were also a possibility. This economic factor increased people's awareness of the idea of managing risks, where there was a lot of uncertainty about whether they would gain or lose money and potentially severe consequences. The insurance sector quickly developed as a means of controlling risk in commerce and providing coverage for potential losses and the fallout from unfortunate occurrences. Wealth wasn't just a privilege for the fortunate few anymore; it could be acquired by engaging in trade and making the right choices.

Organizations are exposed to a huge variety of risks that can affect how their operations turn out. The desired overall goal may be expressed as a mission or as a list of corporate goals. Events that affect an organization may hinder its goals (hazard risks), advance them (opportunity risks), or raise uncertainty about the results (uncertainty risks or control risks) (Hopkin 2018).

1.1 Definition of risk

The most basic definition is the possibility of loss as a result of any unfavourable event in business operations. Any unfavourable event at the business is also included in the definition of risk. There are numerous definitions and opinions that can be found regarding the term "risk". For instance, the Society for Risk Analysis Glossary alone provides at least seven distinct qualitative definitions for risk, each expressing a different perspective on the term. Sadly, they don't always match or align with the suggested ideology. The risk definition depends on and is influenced by the risk observer, so perspectives on risk vary (Fadun, 2013). Risk is a very broad concept in international business. The possibility of loss resulting from any unfavourable event in business operations could be the basic definition (Tanim 2019).

For example:

"Risk is the possibility of an unfortunate occurrence".

It suggests a constrained and exclusively pessimistic view of risk, one that is inconsistent with the concept's more recent evolution and understanding in the twenty-first century, as shown in the etymological and etiological overview.

Alternative definition:

"Risk is uncertainty about and severity of the consequences of an activity with respect to something that humans value".

Even though this definition has become more in line with the suggested ideology, it is still insufficient because it leaves out the fact that uncertainty in the concept of risk does not only pertain to how serious the consequences will be. Additionally, uncertainties about potential outcomes, the nature of the consequences, and even uncertainties about the objectives themselves are all important factors to consider when analysing risk. Besides that, effects (also known as consequences) are not just the results of actions; they can also come about as a result of circumstances (Blokland, Reniers, 2019).

Nevertheless, there is a comprehensive, globally accepted definition of risk that complies with the suggested ideology and addresses the problem of many existing definitions of risk's lack of inclusiveness. 161 national standards bodies make up the membership of the independent, non-governmental International Organization for Standardization (ISO). Through its members, it brings together specialists from various fields, including industry and academia, to exchange knowledge and create voluntary, market-relevant international standards that foster innovation and address major challenges. Because of how ISO standards are created, they can be viewed as a very rigorous method of knowledge creation that also has a high level of acceptance globally.

The current risk management standard, ISO 31000, is being embraced by an increasing number of countries (through their national standardization bodies), making it a truly used and recognized standard all over the world. Risk is defined by ISO 31000 as *"Risk is the Effect of Uncertainty on Objectives"*.

This definition of risk is arguably the only one that is used, known, and officially accepted throughout the world. When each component of the definition is interpreted in its broadest sense, it is challenging, concise, and covers all conceivable types of risk. This definition could theoretically be expressed in a simpler manner (e.g., risk is an uncertain effect on objectives), but this does not necessarily make it a better one (Anon. [b.r.]).

1.2 The components of risk

1. **Hazard**: A hazard is the potential source of harm or damage. Hazards can be physical, chemical, biological, or behavioural.
2. **Exposure**: Exposure refers to the extent to which people, property, or the environment may be affected by the hazard. It is the contact or interaction between the hazard and the target.
3. **Vulnerability**: Vulnerability is the susceptibility or predisposition of the target to be adversely affected by the hazard. Vulnerability can be influenced by factors such as age, health, social status, economic condition, and geographic location.

4. **Consequence**: Consequence is the outcome or impact of the hazard on the target. Consequences can be immediate or delayed, direct or indirect, tangible or intangible, and positive or negative.

1.3 Causes of risk

Risk and return both are the function of value. Business creates or adds value to the customers, so they are always associated with risk and return. Smart enterprise believe that risk is an integral part, so they do not try to eliminate or minimize risk (Tanim 2019). To effectively manage risk and mitigate potential negative outcomes, it's critical to recognize and comprehend the various causes of risk. Few of the causes for risk are as follows:

• **Incorrect choice or timing**

• **Investment Term** - Because the future is uncertain, long-term investments are riskier than short-term investments.

• **Investment Amount** - The risk increases as the investment amount increases.

• **Industry Type** - Defensive and growing industries carry lower risk than speculative and cyclical industries.

• **Political and legal factors** - Risk can develop when a nation's governmental policies and legal framework change.

1.4 Types of risk

Risk is the possibility of an unanticipated or unfavourable outcome. Any action or activity that raises the possibility of suffering a loss of any kind is considered to be risky. We are aware that the future is uncertain due to risk being present in every aspect of our lives. Risk is a significant component of economic activities, which have a direct impact on our daily lives.

To reduce risk, some save money, while others seek the assistance of insurance companies or agencies by paying insurance premiums. A company may encounter and have to deal with a variety of risks. Before delving into the various types of risk, it is important to understand that some risks can be mitigated while others cannot. Both macroeconomic and microeconomic factors contributed to the emergence of some risks. While there are many different perspectives from which to categorize risk, we will only focus on systematic and non-systematic risk (Anon. 2017).

1.4.1 Systematic risk

It refers to the risk brought on by outside factors that affect the entire industry rather than just one particular business. They are linked to the economic, social, legal, and political aspects of all securities in an economy and are uncontrollable and unavoidable by a business. Systemic risk affects all businesses and is frequently brought on by ineffective government intervention, bad economic decisions, or exogenous events like natural disasters (Coleman a Litterman 2011).

- **Market risk**

Market risk is the potential for experiencing financial losses due to changes in the value of investments or assets brought on by changes in market conditions, such as changes in interest rates, currency exchange rates, or stock prices. Because market conditions are unpredictable and subject to change at any time, any investment carries this risk. By spreading out an investor's holdings across several asset classes or geographical regions or by hedging, which entails buying financial instruments that can be used to offset potential losses, market risk can be reduced. However, it is impossible to completely eliminate market risk because even a diversified portfolio can experience losses during a market downturn. Investors should carefully consider their risk tolerance and investment goals prior to making any decisions in order to minimize the potential impact of market risk on their portfolios.

- **Interest risk**

It is the risk that causes the investment to suffer as a result of unforeseen changes in market interest rates. Due to changes in interest rates, a change in the central bank's monetary policy will have a direct impact on debt instruments like bonds and debentures. Interest rate risk is the chance that an unanticipated change in interest rates will cause the value of an investment to decrease. The most frequent association of this risk with an investment is a fixed-rate bond. Since the rate being paid on the bond is now less than the current market rate, the market value of the bond decreases as interest rates rise. As a result, investors will be less likely to purchase the bond, which will result in a decrease in the bond's market price.

This implies that a capital loss would occur to an investor who held such a bond. As long as the investor decides to keep holding the bond, the loss is not yet realized; it will become apparent when the bond is sold or matures.

Bonds with shorter terms are less susceptible to interest rate changes because there is less time for those changes to have a negative effect. Longer-term bonds, on the other hand, carry a higher risk of interest rate fluctuations because there may be a large window of time during which they can happen. The expected rate of return on longer-term bonds is typically higher than the rate on shorter-term bonds because longer-term bonds carry a higher interest rate risk. The maturity risk premium is the name given to this discrepancy. A bond's price will fluctuate more when the interest rate takes a negative turn if it has a higher level of interest rate risk. By diversifying one's investments across a wide range of security types or by hedging, interest rate risk can be reduced. In the latter scenario, a shareholder can collaborate with a third party to enter into an interest rate swap agreement, offloading the risk of rate fluctuations to the partner (Bragg 2022).

- **Purchasing power risk**

The possibility of a decline in expected returns due to high inflation rates, which can lower the purchasing power of investments, is known as purchasing power risk. It can cause financial losses for investors and companies whose assets or income are impacted by the decline in purchasing power. This is also referred to as inflation risk. The root cause of purchasing power risk is inflation, which over time raises prices for goods and services generally. Investments and income may be significantly impacted over time by the decline in real assets' and incomes' values brought on by inflation. For instance, under the assumption of a 3% annual inflation rate, the value of $2,000 would be only $1,940 after one year, $1,979 after two years, and so on. Therefore, investments and income must generate returns that are higher than the rate of inflation in order to maintain their actual value. Overall, purchasing power risk is a crucial factor for businesses and investors, especially those with fixed-income assets or long-term investment horizons. In the face of inflation, sound risk management techniques can help reduce potential losses and boost financial performance. (Shaikat 2014).

- **COVID**

The World Health Organization declared the novel coronavirus disease covid-19 to be a pandemic on April 7, 2020 after receiving reports of confirmed cases from more than 200 countries and territories (Chow et al. 2020). Businesses all over the globe have been significantly impacted by the COVID-19 pandemic. The type of business, the location of the business, and the steps taken to stop the virus from spreading will all affect the level of risk connected to the virus for a specific business. Businesses that can operate remotely, like software development firms, may be at a lower risk, but they should still think about the virus's potential effects on their staff and clients. Health care professionals and public health professionals must have evidence of excellent quality to identify the most important risks associated with this global health emergency and to prioritize resources where they are most needed (Rod et al. 2020b).

1.4.2 Unsystematic risk

It refers to risk brought on by internal business factors; unlike systematic risk, it is company-specific and can therefore be managed by the company. It develops as a result of a company's inability to operate efficiently, grow, maintain a competitive edge, or generate stable profits.

It is that portion of risk that can be reduced by diversifying investments into a portfolio. It would be possible to lower the risk if we created a portfolio using investment securities that are negatively correlated. This kind of risk is referred to as a diversifiable risk. Although theoretically it is possible to eliminate some unsystematic risk through diversification, this is not actually possible.

- **Business risk**

Business risk is the possibility that a company will sustain financial losses or operational issues as a result of internal or external factors. The operational effectiveness of the company is correlated with internal risks, which include elements like managerial choices, employee behaviour, and operational procedures. On the other hand, external risks are linked to variables that the company has no control over, such as economic downturns, shifts in social or political variables, and changes in the law or regulations. To ensure the long-term success and sustainability of their companies, business owners must effectively identify, assess, and manage both internal and external risks because they can have a significant impact on a company's bottom line.

- **Financial risk**

It is a risk associated with a company's capital structure. Financial instability brought on by an inefficient capital structure also affects earnings. Therefore, the ideal balance of debt and equity is required to ensure financial stability and lower financial risk.

Types of Financial Risk - Credit risk, Currency risk, Country risk, Liquidity risk.

1) **Credit risk**

Credit risk is the chance of suffering a loss as a result of a borrower's failure to make loan payments or fulfil contractual commitments. It typically refers to the possibility that a lender won't receive the principal and interest that is owed, which would disrupt cash flows and raise collection costs. Excess cash flows could be written to offer more protection against credit risk. A higher coupon rate, which generates more cash flows, can be used to reduce credit risk when it is present for a lender.

Even though it's impossible to predict who exactly will miss payments, properly evaluating and managing credit risk can lessen the impact of a loss. Lenders and investors are compensated for taking on credit risk by receiving interest payments from borrowers or debt obligation issuers.

2) **Currency risk**

Exchange rate risk is another name for currency risk. The possibility that changes in a foreign exchange rate will have a negative effect on the value of a financial instrument or other assets is known as currency risk. This is especially important to consider when dealing with securities with a foreign currency and when an organization conducts business overseas.

As long as the associated costs are reasonable, a business can reduce currency risk by engaging in ongoing hedging activities to counteract exchange rate fluctuations. Finding a counterparty with whom to set up a hedging transaction at a fair price can be challenging in situations where one or both of the currencies involved in a transaction are not widely traded.

3) **Country risk**

Country risk refers to the possibility that a foreign government (country) will fail to meet its financial commitments as a result of a slowing economy or political unrest. Investors who want to park their hard-earned money in a place that is dependable and significantly less likely to default may find a state less alluring as a result of even a small rumour or revelation.

This can be divided into the following categories of country risks:

a. Sovereign Risk

This refers to the likelihood that a central bank will implement regulations that could have a negative impact on the value of an investor's holdings. It may also involve the prospect of a foreign government going into default on its debt.

b. Economic risk

In a broader sense, this refers to the possibility of a nation defaulting on its debt obligations. This is frequently a sign of a country's economic strength. Financial difficulty is one type of sovereign risk.

c. Political risk

This kind of risk is primarily linked to losses brought on by a nation's political climate. Even a politician's remark might not be well received by the international community, increasing a nation's risk (Bera 2019).

4) Liquidity risk

The risk that a business or person won't be able to meet their immediate financial obligations and short-term liabilities is known as liquidity risk. Without suffering a catastrophic loss, this is achieved. Liquidity risk is one of the most important elements of a company-wide risk management system. The risk arises when a company is unable to buy or sell an investment in exchange for cash quickly enough to pay its debts. Liquidity is defined as the simplicity with which an asset can be converted into cash without adversely affecting its market price. It is a metric that is independent of the company's net worth. Instead, it is based on the ability to obtain a fair market price as well as the liquidity of the company's current assets and liabilities.

2. Risk Management

Risk management is a technique that aims to shield your company from potential risks without impeding expansion. Understanding, analysing, and addressing risks are all part of risk management, which aims to either completely eliminate or reduce them to an acceptable level. When conducting business, risks are inevitable. Most can hinder your ability to accomplish your business goals and present both opportunities and threats. (Anon. [b.r.])

The goal of risk management is to safeguard the organization against all potential threats and risks. It entails the timely identification, analysis, and assessment of risks, as well as the development of risk-mitigation strategies. Businesses become less vulnerable to potential risks as a result, and they can better prepare for the future. Businesses can identify, assess, and predict risks' future behaviour through risk management, reducing the likelihood of harm and losses. There are several methods for identification of risk like brainstorming, SWOT analysis, PESTLE analysis, expert interview, delphi technique and so on. In many cases, businesses can eliminate risks by implementing strong countermeasures and mitigation techniques. Effective risk management ultimately helps businesses navigate the challenging and unpredictable business environment and ensures their long-term success (Ceyhun 2017).

The process of identifying, evaluating, and prioritizing risks in order to lessen or mitigate their impact on a company or an individual is known as risk management. It entails being aware of potential dangers and taking action to lessen the likelihood of unfavourable outcomes. By anticipating and preparing for potential issues, effective risk management enables people or organizations to lessen the impact of risks on their goals or objectives.

2.1 History of risk management

It was first possible to insure cargo nearly 4,000 years ago. And up until recently, the primary method used by businesses to manage risk was insurance. In response, insurance companies encouraged companies to make their properties safer in an effort to lower their potential losses. As seen in Figure 1, this was the dawn of risk management. Businesses focused only on risk from hazards (such as fire or IT failure). In order to determine how much insurance to purchase, they also used risk reactively. Businesses began implementing quality assurance in the 1970s and 1980s to make sure that the products met their requirements. This was best exemplified by ISO 9000, which replaced BS 5750, the quality standard from the British Standards Institution, which in turn replaced the 1959-introduced MIL-Q-9858 standard from the US military. Companies began to approach risk in a more pro-active or preventative manner in this, the second age of risk management. Government regulations that aimed to get businesses to consider the risks they posed to employees and clients helped to promote risk awareness. In the 1980s, fresh worries about environmental risks also surfaced. In the 1990s, risks to shareholders brought on by poor governance also became a problem. At the US financial services company GE Capital, James Lam was appointed the first Chief Risk Officer (CRO) in history in 1993. The first risk management standard in the world, AS/NZS 4360, was published by Standards Australia in 1995, ushering in the third age of risk management (Sadgrove 2016).

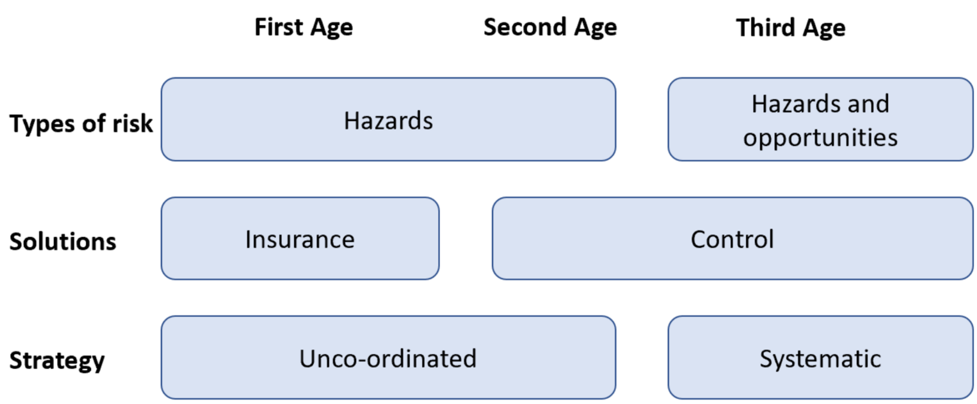

Figure 1: Risk management ages

Source: The complete guide to risk management

2.2 Features of risk management

These are the features or characteristics which are given in depth and also it emphasizes their significance in the risk management.

- Inadequate risk recognition, inadequate analysis of significant risks, and failure to identify appropriate risk response activities can all contribute to an organization's inability to manage its risks effectively. Inadequate risk management may also be the result of failure to establish a risk management strategy, communicate that strategy, and assign the associated responsibilities. Additionally, it's possible that the protocols or procedures for risk management have flaws that prevent them from producing the desired results.

- The consequences of inadequate risk management can be disastrous and include ineffective and/or inefficient operations, late project completion, and unsuccessful or incorrect strategy implementation. The risk management initiative must be proportionate, aligned, comprehensive, embedded, and dynamic to be successful (PACED).

- A risk management effort should be proportionate to the level of risk that the organization is exposed to. Activities related to risk management should be coordinated with other projects within the company. To ensure that any risk management initiative covers every aspect of the organization and every risk it faces, activities must also be exhaustive. Finally, risk management initiatives should be flexible and responsive to the organization's ever-changing business environment.

- Risk management needs to be adjusted and changed to align with the core procedures and organizational culture, just like all other management activities and processes. An organization will first need to specifically respond to statutory obligations and the demands of regulators with regard to risk management. Once they are satisfied, the majority of organizations can operate under the assumption that whatever benefits, outputs, and outcomes are required for the organization and are delivered by the chosen ERM approach, those are the correct and appropriate approaches for that organization (Anon. [b.r.]).

2.3 Benefits of risk management

a) Forecasts Potential Problems

One advantage of risk management is that it modifies an organization's culture. Companies that place more of an emphasis on risk management are typically more pro-active than other companies, which may be reactive. Companies are forced by risk management to carefully examine each of their operational procedures and consider what might go wrong.

Companies can forecast potential problems and become more proactive by using this thorough what-if analysis.

b) Proactive strategy

Businesses that heavily utilize risk management experience fewer business interruptions because such problems are anticipated and resolved early on. The proactive approach is very beneficial because it enables businesses to spot failed projects early on. The ongoing feedback assists businesses in determining whether investing more money in a failed project will help it succeed or if it is simply throwing good money after bad.

c) Preventing Catastrophic Events

Risk management helps businesses get ready for various shocks. Risk managers work to anticipate the minor shocks that have an impact on a company's regular operations. They do, however, make an effort to concentrate on tragic incidents. Such occurrences have a very low likelihood. Companies must be ready to deal with them without going bankrupt, though, if they do happen. In recent years, these occasions have become more well-known. They are referred to as "black swan" events.

d) Promotes Growth

Businesses can take calculated risks that can promote growth and innovation by identifying and managing risks. Companies can reduce the risks involved with new projects and market expansions so they can concentrate on achieving their growth targets.

e) Maintains Competitiveness

By identifying potential threats and opportunities, effective risk management ensures that businesses stay competitive. Companies can improve their strategies and gain a competitive edge by looking at the strengths and weaknesses of rivals.

f) Process Improvement for Businesses

Companies must continually gather more data about their procedures and operations due to the ongoing processes of risk management. Companies are then able to pinpoint the steps in the process that are ineffective or have room for improvement. The role of risk management departments is to continuously monitor how various departments are operating in relation to external entities and look for potential problems. The process ultimately leads to the identification of numerous opportunities and process enhancements. Processes for risk management frequently go hand in hand with reengineering business processes and enhancing process quality.

g) Improves Budgeting

Companies that have risk management procedures in place have better financial management than other businesses. This is due to the fact that they frequently examine their financial data carefully and attempt to eliminate any waste. The end result is that these businesses now understand their processes better. As a result, these businesses also understand their budgets better. They can develop more effective budgets that allocate money in the most effective way possible to achieving the company's objectives. Budgets in these businesses don't have to be based on conjecture.

The process of risk management is ultimately very advantageous. It might appear that these activities only result in increased costs in the short term. However, over time, these actions result in significant financial savings for the business. The advantages greatly outweigh the expenses incurred by these activities. Therefore, viewing them as a cost center is a narrow perspective that could end up costing the company a lot of money in the long run. (Anon. [b.r.])

2.4 Risk management process

Risk is a fundamental concept that exists in all aspects of life. Understanding the components of risk is important for effectively managing it. Probability, impact, timeframe, controllability, uncertainty, and consequence are all important components of risk that should be considered when developing risk management strategies. By identifying, assessing, and mitigating risks, organizations can reduce the potential negative consequences of uncertain events or conditions. The study is conducted based on the literature of the process of risk management (Harvey 2012), risky business: identification, assessment and management of risk factors (Ashley et al. [b.r.]), risk management- concepts and guidance (Pritchard [b.r.]). In the figure 2, we can see the strategies to manage potential risk

Figure 2: Risk Management Diagram

Source: Own contribution

- **Risk identification**

To proactively identify and address risks before they become problems is the aim of risk identification. In order for organizations to identify potential risks that might affect their goals, risk identification is a crucial step in the risk management process. Organizations can identify risks using a variety of techniques, including brainstorming, checklists, historical data analysis, and expert opinions. By using these methods, organizations can effectively identify and evaluate potential risks and develop appropriate risk management strategies to mitigate their impact. Identification of risks is crucial because it enables companies to prepare for potential negative events and lessen their effects before they happen. It entails not only identifying the potential risks but also putting them in writing and communicating them to the relevant parties. These records serve as proof of the company's risk management plan.

- **Analysis of risk**

A key component of risk management is risk analysis, which involves assessing the likelihood and potential effects of identified risks on the goals of an organization. Risk analysis is performed to give decision-makers the knowledge they need to rank risks and create efficient risk management plans.

As seen in the (Figure 3), impact and likelihood are the two main elements of risk analysis. Likelihood is the likelihood that a risk will materialize, whereas impact is the potential fallout from the risk. Organizations can identify which risks need the most attention and create effective risk management strategies by analysing the likelihood and impact of each risk.

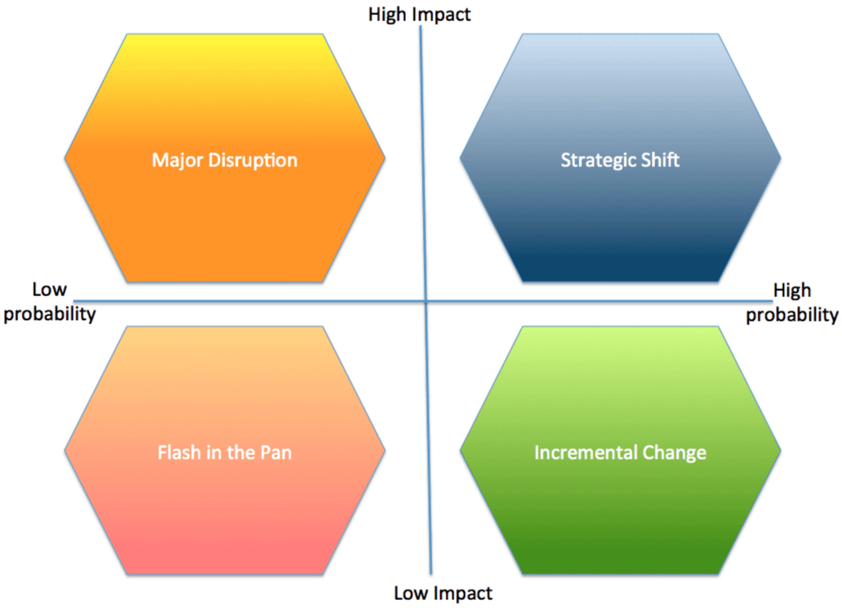

Figure 3: Impact Probability chart

Source: (Allen 2016)

Numerous techniques, including quantitative and qualitative analysis, can be used to conduct risk analysis. While qualitative analysis relies on subjective judgments based on the opinions and experience of experts, quantitative analysis uses numerical data to assess the likelihood and impact of risks.

Organizations can better understand the risks they face and create efficient strategies to lessen their effects by conducting a thorough risk analysis. The reputation and assets of the company can be safeguarded, the likelihood and impact of negative outcomes can be lessened, and the organization's overall resilience can be strengthened.

- **Mitigation of risk**

The third step in the risk management process is mitigation, which entails creating and putting into practice plans to control or lower the risks that have been identified. As it enables businesses to lessen the effects of potential risks and maintain the continuity of their operations, mitigation is a crucial part of risk management. Organizations can use a variety of strategies to reduce risks. Avoidance, reduction, transfer, and acceptance are a few of these. By stopping a specific activity or avoiding a particular location, one can completely eliminate the risk. Reduction entails taking steps to lessen the likelihood or impact of the risk, such as by using safety gear or putting in place security protocols.

The best mitigation strategy will depend on the particular risk, the organization's goals, and its available resources. Organizations can minimize the potential impact of risks and guarantee the continuity of their operations by putting effective risk mitigation strategies into practice. To ensure that mitigation strategies remain efficient and pertinent in the face of changing risks and organizational priorities, it is crucial to regularly review and update them.

- **Contingency plan**

The creation of a contingency plan is the fourth step in the risk management process. An organization can use a contingency plan to prepare for unforeseen emergencies or events that might interfere with daily operations. To ensure business continuity and lessen the impact of unforeseen events on the organization, contingency planning is crucial.

A contingency plan serves as a clear, thorough response to unanticipated occurrences like natural disasters, cyberattacks, or other disruptions. The plan should include steps for spotting and addressing potential risks as well as tactics for lessening their effects. The process of creating a contingency plan entail determining potential risks and creating detailed procedures for handling each risk. The plan should also lay out communication strategies to make sure that all stakeholders are aware of the plan, as well as key personnel and resources needed to implement the plan. The effectiveness of the contingency plan in the face of unforeseen events depends on regular testing and updating. Additionally, organizations must make sure that all parties involved are aware of the plan and their individual responsibilities for putting it into action. Organizations can lessen the effects of unforeseen events on their operations and guarantee the continuity of essential services and activities by creating and implementing a contingency plan.

- **Monitor, Control & Review risk**

The ongoing monitoring, control, and review of risks is the last step in the risk management process. In order to ensure that risk management strategies are still effective, this step entails continuously assessing and evaluating their efficacy. Implementing procedures to track and evaluate the effectiveness of risk management strategies as well as to recognize potential new risks involves monitoring and controlling risks. Organizations can quickly recognize and address emerging risks thanks to regular monitoring, ensuring the effectiveness of their risk management strategies. Organizations must regularly review their risk management strategies to make sure they remain applicable and efficient, in addition to monitoring risks. In the review process, risk management strategies are evaluated for effectiveness. Any gaps or flaws in the approach are then identified, and solutions are developed.

The monitoring and review process also requires regular reporting and communication. In order for stakeholders to make informed decisions about the organization's operations and activities, it is necessary to keep them updated on any changes to risk management strategies as well as any new risks. Organizations can maintain a proactive approach to risk management and make sure they are well-prepared to respond to unforeseen events or emerging risks by continuously monitoring, controlling, and reviewing risks. This strategy helps to increase the organization's overall resilience by reducing the potential negative effects of risks.

2.5 Risk management techniques

Techniques for managing risks involve identifying, evaluating, and minimizing potential risks in a specific situation. By examining the likelihood and consequences of different risks and creating plans to reduce or eliminate their effects, these techniques assist businesses and organizations in making well-informed decisions. Effective risk management can assist businesses in preventing losses, preserving their financial stability, and ensuring the security and welfare of their stakeholders and workforce.

2.5.1 Expert interview

A risk management professional or practitioner converses with an authority in a particular field or domain as part of a risk management technique to gain insight into potential risks and their potential effects on the organization. The expert being questioned may have subject matter expertise or specialized knowledge in a particular field that is pertinent to the operations of the organization, such as finance, cybersecurity, supply chain management, or environmental management.

In order to help the organization's risk management strategy and decision-making process, the expert interview's objective is to gather insights and opinions from the expert. In order to get the expert to share their knowledge and viewpoints on potential risks as well as their suggestions for reducing or managing those risks, the interviewer may pose a series of open-ended questions (Brinkmann 2013).

An interviewer would be required to spend at least 30 minutes explaining the phenomenon under investigation. But this ignores the issue of whether to conduct a single interview session or several, which is frequently left out of research projects. It should go without saying that the answer depends on the research questions, sources available, and quantity of data required. Additionally, interviewees should have a chance to comment or ask questions at the conclusion of the interview. At this point, researchers should also thank their interview subjects once more and plan how to stay in touch. Additionally, it would be advantageous for researchers to conduct a piloting session before conducting their interviews because this will not only improve the interview content but also determine the feasibility and usefulness of the interview as a research tool (Alshenqeeti 2014).

2.5.2 Brainstorming

A group technique called brainstorming for risk management is used to come up with concepts, answers, and plans for handling potential risks and threats to an organization. Using this technique, people with various backgrounds and viewpoints are brought together to foster creativity and teamwork in identifying and managing risks. The group defines the issue, establishes ground rules, and generates a lot of ideas during the brainstorming session. The concepts are then ranked and categorized according to their viability, effectiveness, and potential impact. On the basis of the ideas generated, an action plan is then created, outlining roles and due dates for implementation. In order to be effective, brainstorming sessions for risk management should promote participation from all group members, refrain from judging or criticizing ideas, be receptive to unconventional ideas, and prioritize quantity over quality during the brainstorming session before reworking and prioritizing the ideas generated.

2.5.3 Delphi technique

This method is similar to brainstorming, but the responds are not in the same location and do not know one another. Without consulting the other participants, they will determine the factors. The facilitator summarizes the factors identified, much like in brainstorming. Using the Delphi method, risk managers can gather and synthesize expert knowledge and opinions to make decisions about potential risks. The method entails using a multi-round, structured process to obtain anonymous feedback from a panel of experts. Individuals with specialized knowledge and experience pertinent to the risks being assessed typically make up the expert panel. By seeking consensus from a group of subject-matter experts, the Delphi method is used to determine a position on a question or set of questions. Numerous industries, including the defence sector and the healthcare sector, have conducted research using the Delphi method.

The panel is asked a series of questions about the risks being evaluated in the first round of the Delphi technique. The experts answer the questions anonymously, and in subsequent rounds, each expert can look over the answers of the others. The panel receives a summary of each round's responses and circulates it back to the panel for additional commentary and improvement. This process keeps going until the expert panel comes to an agreement. The Delphi method is especially helpful when there is a dearth of trustworthy data or information or when it is challenging to gather specialists in one place. Additionally, it guarantees that all expert opinions, regardless of their standing or level of influence within the organization, are taken into account equally (Mahendra et al. 2013).

2.5.4 SWOT analysis

The study of the SWOT analysis is a qualitative and descriptive in nature. SWOT analysis is a useful situation analysis technique that is crucial in the fields of marketing, public relations, advertising, and any other fields requiring strategic planning. SWOT analysis is a method of analysis used to analyse the "strengths," "weaknesses," "opportunities," and "threats" associated with a company, a plan, a project, a person, or a business endeavour (Gurl 2017).

The main objective of a SWOT analysis is to raise awareness of the variables that influence business decisions or the formulation of business strategies. SWOT analyses the internal and external environments as well as the variables that may affect the viability of a decision in order to achieve this. SWOT analysis is frequently used by businesses, but it is also widely used by non-profit organizations and, to a lesser extent, by individuals for self-evaluation. The SWOT analysis is also applied to projects, products, and initiatives. Albert Humphrey is credited with developing the SWOT framework, which he tested at the Stanford Research Institute in the 1960s and 1970s. The first SWOT analysis was created for business and was based on information from Fortune 500 companies. All kinds of organizations have used it as a brainstorming tool to help with decision-making.

SWOT analysis is frequently employed either at the outset or during a process of strategic planning. The framework is regarded as a potent tool for decision-making because it enables an organization to identify previously unidentified opportunities for success. Additionally, it flags dangers before they become too serious. SWOT analysis can help a company pinpoint a market segment where it has a competitive advantage. Additionally, it can guide people toward a career that best utilizes their strengths and warn them of potential dangers. When used to logically recognize and include business issues and concerns, this type of analysis is most effective. As a result, SWOT frequently involves a multidisciplinary, cross-functional team that is open to ideas. The most successful teams would base their SWOT analysis on real-world knowledge and information, such as revenue or cost figures (Anon. [b.r.]).

Elements of a SWOT analysis

A SWOT analysis examines four factors, as its name suggests:

- Resources and qualities that exist internally that contribute to success, such as a wide range of products, devoted clients, or effective customer service.
- Success is more challenging to achieve due to internal factors and resources like a poor brand, excessive debt, or insufficient staffing or training.
- External elements that the company can benefit from, such as advantageous export tariffs, tax breaks, or new enabling technologies.
- External factors, such as heightened competition, declining demand, or a shaky supply chain, that could endanger the entity's success.

To organize the items listed under each of these four elements, a SWOT analysis is frequently used. The matrix typically consists of a square divided into four quadrants, each of which represents a different element. In the first quadrant, decision-makers identify and list specific strengths, followed by weaknesses, opportunities, and threats (Anon. [b.r.]).

2.5.5 PESTLE analysis

PESTLE analysis is a framework that helps to analyse the external factors that can affect an organization's operations and decisions. It stands for Political, Economic, Social, Technological, Legal, and Environmental factors. Conducting a PESTLE analysis can help organizations identify potential risks and develop strategies to manage them. Here's how each factor of PESTLE can impact risk management:

Political Factors

Political factors refer to the impact of government policies, laws, and regulations on an organization's operations. The political environment can pose risks such as changes in regulations, tax policies, or trade agreements. For example, changes in data protection laws or labour laws can pose risks to an organization. Risk management strategies should consider the potential impact of political factors and plan accordingly.

Economic Factors

Economic factors refer to the impact of economic conditions on an organization's operations. These factors can include inflation, exchange rates, unemployment rates, and economic growth. Economic factors can pose risks such as changes in consumer behaviour, changes in demand for products or services, or changes in the availability of credit. Risk management strategies should consider the potential impact of economic factors on an organization's operations and plan accordingly.

Social Factors

Social factors refer to the impact of social trends, attitudes, and cultural factors on an organization's operations. These factors can include demographics, lifestyle changes, and consumer behaviour. Social factors can pose risks such as changes in consumer preferences, changes in social values, or changes in public opinion. Risk management strategies should consider the potential impact of social factors on an organization's operations and plan accordingly.

Technological Factors

Technological factors refer to the impact of new technologies on an organization's operations. These factors can include advances in technology, changes in information technology, or changes in communication methods. Technological factors can pose risks such as cyber-attacks, technological obsolescence, or failures in IT systems. Risk management strategies should consider the potential impact of technological factors on an organization's operations and plan accordingly.

Legal Factors

Legal factors refer to the impact of laws and regulations on an organization's operations. These factors can include labour laws, environmental laws, or intellectual property laws. Legal factors can pose risks such as litigation, fines, or regulatory penalties. Risk management strategies should consider the potential impact of legal factors on an organization's operations and plan accordingly.

Environmental Factors

Environmental factors refer to the impact of environmental issues on an organization's operations. These factors can include climate change, pollution, or natural disasters.

Environmental factors can pose risks such as supply chain disruptions, increased costs, or damage to infrastructure. Risk management strategies should consider the potential impact of environmental factors on an organization's operations and plan accordingly.

PESTLE analysis can be a useful tool for identifying potential risks and developing risk management strategies. By considering the impact of political, economic, social, technological, legal, and environmental factors, organizations can better understand the risks they face and plan accordingly. Risk management strategies should be flexible and adaptable to changes in the external environment, ensuring that the organization can respond to new risks as they emerge.

2.5.6 Root cause analysis

Identifying the root causes of a problem or issue is the goal of the problem-solving technique known as root cause analysis. It entails taking a methodical approach to looking into a problem and figuring out the causes of its occurrence. The purpose of root cause analysis is to not only address the current issue but also to foresee future occurrences of issues that are similar to the current one. In fields like healthcare, manufacturing, and engineering, where locating and addressing the source of a problem is essential to enhancing quality and preventing mistakes, root cause analysis is frequently used. Typically, the process entails gathering data, analysing the data, determining the root cause(s), and putting forward solutions to stop recurrence. Organizations can increase customer satisfaction, lower costs, and improve operations with the aid of root cause analysis.

2.5.7 Identification of potential risk and analysis of qualitative and quantitative risk

Identifying potential risks is an important part of effective risk management. It involves analysing the internal and external environment of an organization to identify potential threats that could impact the achievement of its objectives. Here are some steps to identify potential risks:

1. Review past incidents and near-misses to identify common themes and areas for improvement.

2. Analyse industry trends, regulations, and market conditions that could impact the organization's operations.
3. Conduct a SWOT analysis to identify strengths, weaknesses, opportunities, and threats.
4. Engage with stakeholders to understand their concerns and expectations.
5. Identify potential risks and prioritize them based on their likelihood and impact.

❖ **Qualitative risk analysis**

The process of locating, examining, and evaluating risks within an organization is known as qualitative risk analysis. In qualitative risk analysis, the likelihood that a risk will materialize and its effects on the business are assessed based on a subjective assessment.

➢ **Risk matrix**

A risk matrix is a tool used to assess the level of risk associated with a particular event or condition. It allows organizations to prioritize risks based on their likelihood and impact, and develop appropriate risk management strategies. Here are the steps to create a risk matrix:

1. Identify the risk categories and associated likelihood and impact criteria. The likelihood and impact criteria should be clearly defined and agreed upon by stakeholders.
2. Plot the likelihood and impact criteria on a grid. The likelihood criteria should be plotted on the horizontal axis, and the impact criteria on the vertical axis.
3. Assign a score to each cell in the grid, based on the likelihood and impact criteria. The scores should be agreed upon by stakeholders.
4. Use the risk matrix to prioritize risks and develop appropriate risk management strategies. Risks that fall in the high likelihood and high impact quadrant should be given priority.

	Relative weight=Probability times impact		
High probability 66-99%	High-Low (Later response)	High - Moderate (Third response)	High-High (First response)
Moderate probability 33-65%	Moderate-Low (Later response)	Moderate-Moderate (Later response)	Moderate- High (Second response)
Low probability 1-32%	Low-Low (Later response)	Low- Moderate (Later response)	Low- High (Second response)
	Low impact (As defined in qualitative analysis)	**Moderate impact (As defined in qualitative analysis)**	**High impact (As defined in qualitative analysis)**

Figure 4: Probability - Impact matrix

Source: Risk Management-Concepts and Guidance (Pritchard, Carl L)

In the Figure 4, risks that fall in the high likelihood and high impact quadrant (top right) are the most critical and should be given the highest priority. Risks that fall in the low likelihood and low impact quadrant (bottom left) are less critical and may not require immediate attention. Effective risk management involves identifying potential risks and prioritizing them based on their likelihood and impact. A risk matrix can help organizations to prioritize risks and develop appropriate risk management strategies.

Organizations use a risk matrix as a tool to evaluate and rank risks according to likelihood and potential impact. Usually, the matrix is a grid with likelihood and impact levels, where each cell denotes a different risk level as shown in the figure below. Typically, low, medium, and high are used to describe the likelihood and impact levels. Utilizing the risk matrix, organizations can identify risks that demand immediate attention and resources and then prioritize their risk management efforts in accordance with those risks. The risk matrix should be regularly reviewed and updated to reflect changes in the external environment and the organization's risk profile. By effectively managing potential risks, organizations can reduce the likelihood and impact of negative events, and achieve their objectives more effectively.

The risk matrix is helpful for communicating risk to stakeholders as well as risk management. Stakeholders are better able to comprehend the risk level associated with various parts of the organization by using a graphical representation of the risk matrix, which also makes it simpler for them to comprehend the organization's risk management strategy. Therefore, the risk matrix is a useful tool for businesses to evaluate and rank risks, allocate resources, and create sound risk management plans. Organizations can make sure they are addressing the most important risks and making wise decisions to safeguard their operations by using a risk matrix.

- **Quantitative risk analysis (QRA)**

It is a type of risk analysis that includes numerical estimates of probabilities and/or outcomes, occasionally along with corresponding uncertainties (Rausand 2013). In accordance with the goal, quantitative risk analysis begins with a model of the project, either its project schedule or its cost estimate (Anon. [b.r.]).

- **Sensitivity Analysis:**

Sensitivity analyses provide a straightforward answer to the question of what would happen if the project environment were to change just one parameter. Examining the potential impact of a clone change to the project in terms of the risk context is the main goal of an effective sensitivity analysis. Almost anything can be the parameter being changed, from a single alteration to the project's environment to a modification of one of its constraints. The secret, however, is to change one parameter at a time to assess the impact the change would have on the circumstance. Sensitivity analysis is typically used when a major project change is being considered and there is some debate regarding the possible effects of that alteration. Sensitivity analysis enables a before-and-after comparison of the projected project states to assess the viability and appropriateness of the proposed change.

- **Monte Carlo Simulations:**

This method takes into account cost and schedule risk not only for specific activities but also for the whole project. The desire to assume that all project risks must be taken into account in the worst case occurs frequently. But this method adopts a more comprehensive strategy. As a result, the cumulative probability distribution of the total project cost and total project schedule, respectively, is typically used to express the total project cost risk and the total project schedule risk. By calculating the likelihood that the project will be completed within specific cost or schedule targets, one can use this distribution information to reflect project risk. It can also be used to determine how much money or how much time would be needed to ensure success (Pritchard [b.r.]).

3. Presentation Of Travel And Tourism Industry- India

The success of many economies around the world depends on tourism. Tourism has a number of advantages for host locations. A country's infrastructure is developed, its revenue is increased, and a sense of cultural exchange between citizens and visitors is sown thanks to tourism (Anon. 2019). The concept of people traveling to other locations, whether domestically or internationally, for leisure, social, or business purposes is connected to the tourism industry, also known as the travel industry. It is closely related to the hotel, hospitality, and transportation industries, and much of it is focused on keeping tourists content, busy, and furnished with what they require while they are away from home (Revfine.com 2022).

India was ranked sixth in the world for the volume of tourists traveling abroad to the United States as of March 2022. The United States continues to rank among Indians' top idealist travel destinations, as evidenced by the fact that 72% of all Indian visitors in March 2022 were tourists. India's middle class is sizable and getting wealthier, and there is more access to air travel, which has led to an increase in outbound international travel. This expansion has also been aided by increased interest in specialized tourism industries like adventure, wellness, and medical tourism. Online reservations have risen as a result of more people using smartphones and the internet. Despite the fact that there are still obstacles in the industry's recovery, there is optimism that travel and tourism numbers will continue to increase.

Table 1: India travel and tourism sector (billion $)

	2017	2018	2019	2020	2021
Total domestic travel spending	$128.03	$135.96	$142.27	$78.65	$58.14
Total foreign inbound visitor spending	$26.94	$28.56	$31.27	$12.2	$8
Total outbound spending	$18.82	$22.56	$24.95	$11.00	$12.6

Sources: trade.gov, 2022

The information provided in table 1, shows the spending trends for three types of travel: all domestic travel, spending by foreign inbound visitors, and spending by outbound travelers. The information spans a five-year period from 2017 to 2021. The total amount spent on domestic travel rose sharply from $128.03 billion in 2017 to $142.27 billion in 2019, but then fell precipitously to $78.65 billion in 2020, probably as a result of the COVID-19 pandemic, and then to $58.14 billion in 2021. In contrast, due to travel restrictions and safety worries, both total foreign inbound visitor spending and outbound spending fell in 2020 and 2021. However, outbound spending has been increasing untill the year 2019 and there is a sharp decrease in 2020 due to national crises and have been slightly increased in 2021. While, the inbound visitor to India has seen a decrease in both the years of 2020 and 2021.

Table 2: Top 10 destination country for Indian nationals' departures (IND) during 2021

S.No.	Destination Country	IND	% Share
1	UNITED ARAB EMIRATES	3629880	42.4
2	UNITED STATES OF AMERICA	695906	8.1
3	QATAR	671924	7.9
4	OMAN	407667	4.8
5	UNITED KINGDOM	348105	4.1
6	MALDIVES	317202	3.7
7	SAUDI ARABIA	269327	3.1
8	CANADA	259700	3.0
9	BAHRAIN	208321	2.4
10	KUWAIT	207619	2.4
	Others	1535664	18.0
	Total	**8551315**	**100.00**

Souce: Bureau of Immigration, Govt. of India, tourism.govt.in, 2021

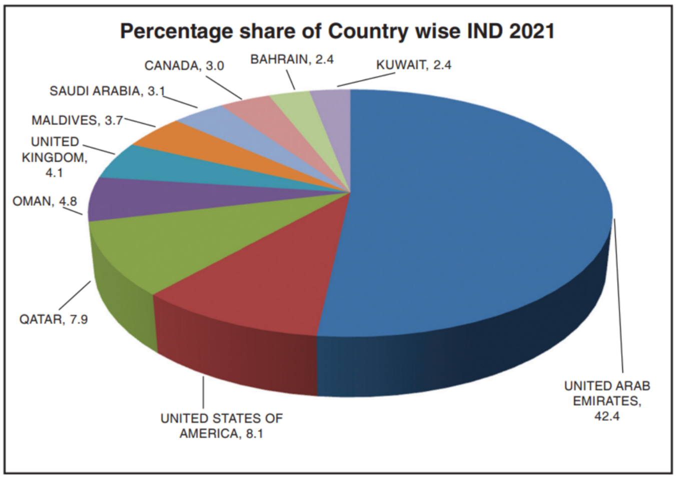

Figure 5: Percentage share of country wise IND- 2021

Source: Bureau of Immigration, Govt. of India, tourism.govt.in, 2021

The information provided figure 5, lists the top 10 nations by the quantity of tourists visiting a particular location. There is also a category for "others" in the data, which refers to all the other nations that are not listed among the top 10. With 3.6 million visitors, or 42.4% of all tourists, the United Arab Emirates (UAE) takes the top spot. With 695,906 visitors, or

8.1% of all tourists, the United States of America (USA) ranks second, followed by Qatar with 671,924 visitors, or 7.9% of all visitors. Oman, the United Kingdom, the Maldives, Saudi Arabia, Canada, Bahrain, and Kuwait complete the top ten nations. Together, these nations account for 30.4% of all visitors, with the remaining 18% falling under the "others" category.

As we can see in figure , the outbound travel from India is increasing rapidly to UAE, USA, Qatar and many other destinations. By 2030, it is anticipated that India will contribute $250 billion USD to the global economy through tourism, creating 137 million jobs, $56 billion in foreign exchange earnings, and 25 million foreign visitors. Compared to $28.9 billion in 2018, the Indian tourism and hospitality industries are predicted to generate $50.9 billion in visitor exports by 2028. By 2028, there will be 30.5 million foreign visitors. From an estimated $75 billion in FY20, the travel market in India is predicted to grow to $125 billion by FY27.

The number of foreign tourist arrivals (FTAs) increased by 437.3% from 92,728 in August 2021 to 498,243 in August 2022. It is anticipated to support about 53 Mn jobs by 2029. By 2025, it is predicted that outbound travel from India will reach 29 million, surpassing the $24 billion mark by 2024. India has invested a significant amount of money in tourism infrastructure over the last 8.5 years, totalling about $1 Bn (INR 7,000 Cr) (Anon [b.r.]).

3.1.1 Government Policy Support for the Industry

The union government has earmarked INR 2,400 crores for the the ministry of tourism to undertake initiatives for tourism infrastructure development, marketing, promotion and capacity-building activities. To entice more international visitors, the government decided to waive the visa fee for the first 500,000 arrivals when India’s reopened its doors to international tourists. It also decided to roll out e-visas to 169 countries. Considering how the tourism industry suffered over the last year, a loan of INR 10 lakh will be given to consultancy tour operators and INR 1 lakh to tourist guides to give industry status to various tourism projects. In response to the COVID-19 crisis, the government has also. set up the Emergency Credit Line Guarantee Scheme (ECLGS) and to offer 100% guarantee to lenders who grant credit facilities to small businesses to cover their working capital needs. With a total investment proposal of INR 5 lakh crore, it extended the validity of the scheme till March23. It enables the contact intensive sectors with collateral free liquidity at capped interest rates. This scheme is expected to aid tourism and hospitality businesses that are still reeling under the pandemic impact (Anon. [b.r.]).

3.1.2 National tourism policy 2022

The government has in the works a policy on digital and green tourism, upskilling the hospitality sector, and supporting MSME-related tourism. It aims to drive the country's tourism sector towards sustainable and responsible growth. The goal of this policy is to promote green tourism by implementing sustainable practises through-out the tourism value chain. Some of the key objectives are:

- To enhance the contribution of tourism in Indian economy by increasing the visitation, stay and spend
- To create jobs and entrepreneurial opportunities in tourism sector and ensure supply of skilled work force
- To enhance the competitiveness of tourism sector and attract private sector investment
- To preserve and enhance the cultural and natural resources of the country
- To ensure sustainable, responsible, and inclusive development of tourism in the country There is an increasing demand from the sector to provide tax breaks and GST credit for agencies to give impetus to the sector and recover from the pandemic-induced losses (Anon. [b.r.]).

3.2 Thomas Cook India

Travel services offered by Thomas Cook (India) Ltd., a travel company with its headquarters in Mumbai, India, include foreign exchange, domestic and international vacations, visas, passports, travel insurance, and MICE. It is one of the oldest travel and travel-related financial services company, with a heritage that is 141 years old. It established its first office in India in 1881 and eventually expanded to over 233 locations, in 94 cities around India, Sri Lanka, and Mauritius. They deal with around 25 currencies in India. Thomas Cook, the founder of the now-defunct (2019) British company Thomas Cook & Son, founded the company. Through its wholly owned subsidiary, Fairbridge Capital (Mauritius)

Limited, and its controlled affiliates, which hold 67.63% of the firm, Fairfax Financial Holdings Limited is the parent company since 2012 for Thomas Cook India (Anon. [b.r.]).

Today, TCIL has expanded its services around the globe with a strong focus on the APAC region. There are 18 brands under the Thomas Cook umbrella, in 28 countries across five continents, with a 7,210-member strong workforce across 62 nationalities. The company deals with tough competition from both domestic and foreign businesses in the market. The company's main rivals are International Travel House Ltd, MakeMyTrip Limited, Cleartrip Pvt Ltd, and Yatra Online Inc. Some of Thomas Cook's rivals have a strong global presence, engage in promotional and marketing campaigns, and have financial support, giving them an edge (Anon. [b.r.]).

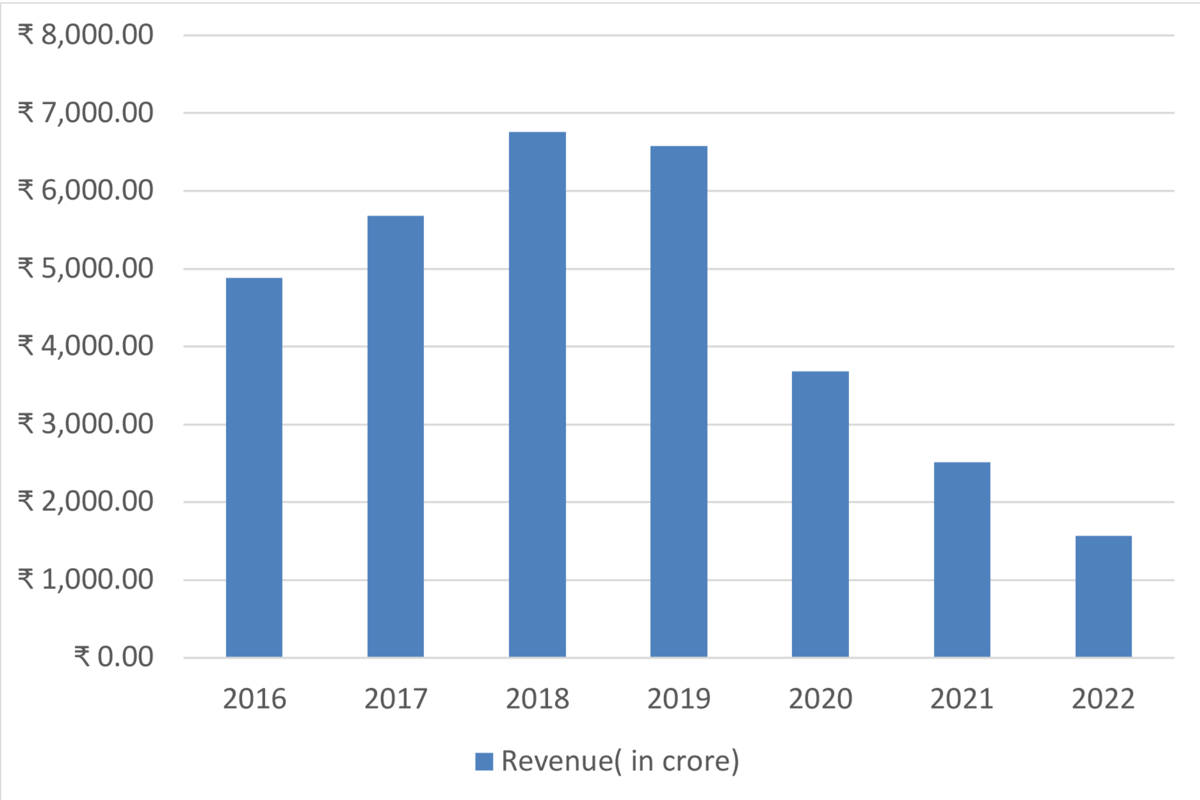

Figure 6: Estimated consolidated revenue of Thomas Cook India from the year 2016 to 2022

Source: Own contribution

From the above (Figure 6), we can see that Thomas Cook India's revenue from 2016 to 2022, expressed in crores of Indian Rupees. From 2016 to 2019, the revenue increased steadily, reaching a peak of 6,756.74 crores in 2018. However, in 2020, revenue significantly decreased to 3,682.96 crores, most likely as a result of the COVID-19 pandemic's effects on the travel sector. In 2021 and 2022, the revenue fell even further, reaching 2,513.23 crores and 1,562.38 crores, respectively. In order to maintain growth and profitability in the future, Thomas Cook India must adapt and innovate in response to the shifting market conditions and customer needs. This is highlighted by the downward trend in revenue.

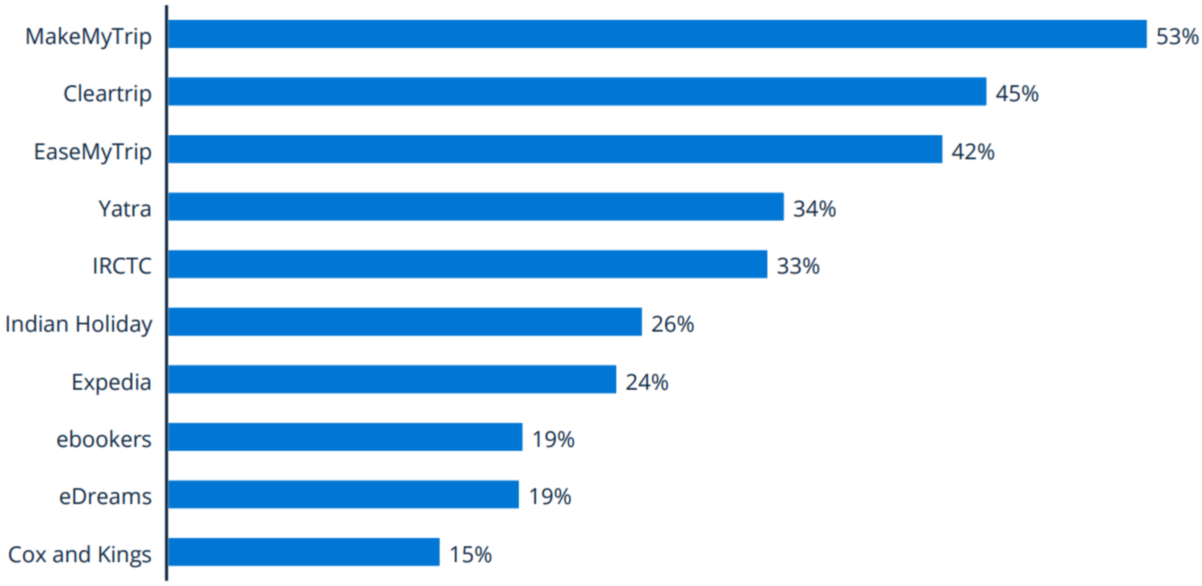

Figure 7: Top ten most used holiday portals in India in the year 2021

Source: Statista, 2021

As we can see from the figure 7, Thomas Cook India is not among the top 10 websites that offer package vacations and it stands No.17 among travel and tourism industry in India based on Statista global consumer survey. Additionally, according to the survey, Thomas Cook India users are more likely to be between the ages of 30 and 39 than the rest of the online population. Sixty percent of Thomas Cook India users are men. In contrast to other package holiday portals, Thomas Cook India has a smaller proportion of users who have a medium household income (Anon. [b.r.]).

3.2.1 Transformation stages of Thomas Cook

Thomas Cook was a British travel company that was founded in 1841. It became one of the largest and most well-known travel companies in the world, but its history was marked by a series of transformation stages that reflect the changing landscape of the travel industry. Here are the transformation stages of Thomas Cook:

2012-2013 : Traditional Model

The company was using a "brick and mortar" business model, which refers to the organization's physical presence in the form of offices and retail locations. For more complicated or expensive trip arrangements, this model enables consumers to physically visit the stores and speak with travel agents.

In 2013, Thomas Cook India made investments in channel diversification in addition to the brick-and-mortar concept. This can involve developing mobile apps to make it simpler for clients to book travel, expanding their distribution channels through online marketplaces, and partnering with other businesses and agencies. Investing in digital and online technology is another essential component of channel diversification. This can involve constructing a user-friendly website, using digital marketing techniques, and coming up with fresh, cutting-edge travel arrangements and services. Investing in technology also assisted Thomas Cook India in improving operational efficiency and customer service.

2013- 2015 : Phygital

Thomas Cook India remained competitive in the travel industry by investing in online and digital technology and directing resources toward innovation. This can include creating a user-friendly website, implementing digital marketing strategies, and developing new and innovative travel packages and services. Additionally, spending money on technology enhanced both customer service and operational effectiveness.

2015-2019 : Phygital

Thomas Cook India increased visibility, reach, and conversions by utilizing digital knowledge and technology, such as implementing digital marketing strategies, personalizing customer experiences, implementing digital booking and payment systems, optimizing for mobile devices, creating virtual tours and experiences, and working with social media influencers. The company was able to reach a larger audience, make it simpler for clients to book travel, and develop focused marketing efforts that speak to particular groups of their customer base, all of which contributed to a rise in sales and market penetration. Thomas Cook India also enhanced client loyalty and repeat business by utilizing technology to enhance operational effectiveness and customer service.

2019- Present : Omnichannel

Thomas Cook India is enhancing the customer experience along its value chain by combining a virtual and physical network. The company offers 24/7 customer support via digital platforms, such as chatbots and social media, and by integrating these platforms with their actual stores, clients can have a smooth shopping experience while browsing and booking travel online and then visiting a physical store for assistance with more complicated bookings. Thomas Cook India also gives clients a preview of the location by developing virtual tours and experiences, which raises the likelihood that they will make a booking. Thomas Cook India is obtaining a competitive edge in the travel business by providing a superior customer experience and being more effective in its operations.

3.2.2 Business risk

The Company has an adequate framework for risk management that allows it to recognize, quantify, control, and reduce business risks and opportunities. The covid crisis has had a significant negative impact on the nation's primary economic sectors since the beginning of the year 2020. However, this framework aims to increase the company's competitive edge, foster transparency, and reduce negative effects on the business plan. Thus, this risk framework aids in controlling forex, operational, credit, and market risks while quantifying potential effects at the company level.

The top 1000 listed businesses in India according to market capitalization are required by Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to have a Risk Management Committee and to develop a Risk Management Policy. However, the Company's Audit and Risk Committee, which was properly established in 2019, oversaw the risk management operations. Thomas Cook has considered a number of risks, and has taken steps to mitigate them, including economic risk, credit risk, foreign exchange risk, risk from competition, risk from integration, risk from crises, and risk from environmental and climatic change. The specifics and mitigation are listed below (Thomas Cook India,2020).

- **Economic risk**

The macro environment, which affects consumers' purchasing power, is strongly related to the business. The company is vulnerable to any action that prevents the safety and freedom of individuals to move about due to its dependence on the purchasing power of the target client segments. Also, the Covid-19 pandemic has not only raised global health and safety concerns, but has also slowed many economies.

Mitigation measures

To address the transient effects of the pandemic on the company's operations, they have launched numerous initiatives throughout the year in a variety of areas. A greater emphasis has been placed on digital transactions with little physical contact in order to reduce health and safety issues for both customers and workers. Additionally, the company is putting a lot of effort into continually updating technology to build a leaner and more effective organization, which will help to some extent reduce the risk associated with the present macro-economic slowdown. Thomas Cook is the only market participant to have developed this "Assured" Safe Travel Program, and they keep expanding it by offering their customers completely flexible Zero Worry Holidays.

- **Competition risk**

As a premium brand, they face competition from local companies everywhere. The intense competition and pricing wars may have an adverse effect on business operational margins. Thomas Cook India faces significant competition risk in the travel and tourism industry. The major competitors like MakeMyTrip, Yatra Online, Cox & Kings, Paytm, and IRCTC pose competition to Thomas Cook India's travel and tourism business across online, digital and outbound segments.

A mitigation strategy

Several strategies have been put in place by Thomas Cook India to lessen the risk of competition in the travel sector. While the pricing approach is based on healthy targeted margins, the company is able to gain a competitive advantage attributable to the leadership position in the majority of markets. Through marketing initiatives, the company has concentrated on creating a strong brand image and positioning itself as a premium travel brand. In order to improve customer satisfaction and strengthen its digital capabilities, Thomas Cook India has also launched an online platform called "Thomas Cook India Holidays" and made sizeable investments in its digital infrastructure. These actions have aided the business in preserving its competitiveness and market position in the travel sector.

- **Risk of integration**

The difficulties and potential issues that might appear when two or more businesses merge or when one business buys another are referred to as the risk of integration. This risk may include logistical and financial difficulties, cultural disparities, and problems integrating IT personnel and systems. Integration of people, assets, processes, and technology is necessary as a result of our involvement in diverse enterprises across geographies. Any flaw in the integration procedure could harm business chances for future growth.

A mitigation strategy

To lessen the risk of integration, Thomas Cook India has implemented a number of measures. The company's top management and promoters have a proven track record of successfully executing acquisitions and integrations. The company makes sure that the acquired business is integrated smoothly and successfully by carrying out a thorough due diligence process and creating a detailed integration plan. In order to increase concentration and efficiency in business operations, the company recently divided business segments into three verticals.

- **Credit risk**

A crucial element for an organization's efficient operation is the availability of finances for daily expenses. This category would include risks that could develop as a result of insufficient realisations and/or incorrect fund management, which could have a negative impact on the financials. Due to the numerous corporate clients and channel partners that our company works with, credit risk is a concern. Any payment delay or default could have a negative impact on the financial health of our company.

A mitigation strategy

The business has decreased the risk of default and ensured prompt payment from its customers by thoroughly evaluating their credit and using credit insurance. All contracts and commercial dealings are guided by a clearly stated, fair, and thorough client policy, as well as the finance team's assessment of the financial standing of major clients and channel partners. By taking these steps, the company's exposure to credit risk has been lessened financially.

- **Crisis risk**

The term "crisis risk" describes the potential negative effects of unforeseen occurrences, such as pandemics, natural disasters, economic downturns, or geopolitical tensions. These occurrences have the potential to seriously disrupt business operations and result in costs, harm to one's reputation, and other dangers. The reduction of crisis effects and maintenance of business continuity depend on effective crisis management and mitigation strategies.

A mitigation strategy

Thomas Cook India has taken a number of steps to reduce the risk of a crisis. A crisis response team is available to prevent any risk from developing into a crisis. The company has lessened the effect of unforeseen events on its operations by developing a thorough crisis management plan. With the help of these measures, business continuity has been ensured, and the financial effects of crises have been reduced.

- **Risk of forex**

The foreign exchange (Forex) is very unpredictable and volatile. The company work with several different currencies and are exposed to many different regions, thus there is always a chance of unfavourable currency changes.

A mitigation strategy

To reduce the forex risk, Thomas Cook India has implemented a number of measures. To control the risks associated with foreign exchange, company maintain a strict hedging policy and also closely monitor all currency changes and put into hedging contracts to safeguard margins. By taking these steps, the financial impact of the forex risk has been reduced while ensuring stable financial performance.

- **Risk from environmental and climate change**

Extreme weather conditions or a disease epidemic could have a huge influence on business since they can limit people's freedom of travel completely or partially. By driving up logistics costs and endangering group travel, climate change may have a severe influence on the business operations.

A mitigation strategy

In order to reduce the risk posed by environmental and climate change, Thomas Cook India has taken a number of steps. The company wants to lessen the effects of climate change on its operations so the company has created policies that consider how such an event would affect the business operations.

4. Risk Management Assessment

For any company, especially those in the travel and tourism sector, risk management is a critical process. A leading travel company Thomas Cook India provides a variety of services to its clients. However, there are a number of inherent risks in the travel industry that could have an impact on the company, including natural disasters, political unrest, and economic downturns. In this theses, one will assess the risks that Thomas Cook India is or might have been exposed to and create plans to reduce those risks. To identify potential risks and evaluate their likelihood of occurring, various aspects has been examined and this analysis will assist Thomas Cook India in creating a risk management strategy to safeguard the business's resources, reputation, and clients.

4.1 PESTEL analysis

A PESTEL analysis is discussed to aid Thomas Cook India in making strategic choices by highlighting external market trends and factors. The analysis will take into account the political, economic, social, technological, environmental, and legal factors that have an impact on the business. The company can identify potential growth opportunities and better compete by performing a PESTEL analysis and adapting to changes in the external environment (King a Lawley 2016).

4.1.1 Political factors

Thomas Cook India may be impacted by political factors such as stability in existing markets, taxation policies, importance of local governments, government resource allocation and time scale, governance system, and the potential for armed conflict. These factors can affect the company's operations and profitability, and it may need to adapt its policies and strategies accordingly. As a multinational company that must modify its policies to meet the unique demands of each nation's personal services market, Thomas Cook India must take into account political stability in the markets it now serves. Populist movements may cause the Indian market to become more unstable, which could have a detrimental effect on the business' operations and profitability.

Thomas Cook India may also be significantly impacted by tax policy. Over the past two decades, the corporation has profited from the lower taxation practices in the western hemisphere, which has increased spending on R&D and resulted to large earnings. However, rising inequality in India and the government's efforts to reduce the sector's carbon footprint may change tax rules that negatively impact the company's earnings and operations.

Local governments in India play a critical role in policy making and regulations, due to the constitutional provision of federalism. The government of India is a federal government with powers divided between the central government and the states and union territories. The local governments, also known as Panchayats and Municipal Corporations, are responsible for providing essential services and implementing government policies at the grassroots level. This means that Thomas Cook India, as a business operating within India, would need to closely follow the policies and regulations set by the local governments in the states and territories where it has a presence, in addition to complying with national laws and regulations (Pro [b.r.]).

4.1.2 Economic factors

Increased trade policy liberalization in India may make it possible for Thomas Cook India to invest in new markets and expand into previously inaccessible areas. However, easy liquidity in the market may lead to inflation in the Indian economy. Due to government spending, stable demand from disposable income, and rising investment in new industries, it is anticipated that India's economic performance will stay constant during the next five to ten years. Thomas Cook India may take advantage of investments made by the Indian government in creating key infrastructure to enhance the business environment and stimulate growth in the services industry. However, societal inequality may have a negative effect on consumer attitudes and buying patterns. Thomas Cook India can take advantage of the moderate to high skill level of the workers in the services sector in India to enhance services there and open up international chances.

4.1.3 Social factors

In order to effectively serve Indian consumers, the Thomas Cook staff in India needs to grasp local views and societal conventions. In the services industry, customers in India are increasingly favouring experiential products over the traditional value propositions. The general attitude in India toward migration is unfavourable, which may affect Thomas Cook's ability to run operations.

Customers' leisure preferences in India are changing away from traditional service value propositions and toward experiential products. Thomas Cook India may profit from this development by creating goods that offer better client experiences. The cost of failure is significant, thus the corporation needs to be aware of the nation's developing slack attitude toward health and safety. The old social power structure in India has changed as a result of the rising trend in economic disparity, and the corporation must take this into consideration when producing its goods and services. India's access to basic services has improved as a result of increasing public service investment, which is advantageous to the corporation. Thomas Cook India might explore a variety of ideas to assist and accommodate to the changing gender roles in Indian society. Thomas Cook India can take use of the high level of education in India, particularly in the services industry, to increase its presence there.

4.1.4 Technological factors

Thomas Cook India is impacted by technological elements such as the macro and micro level of research and development spending in India, the possibility of creative disruption, and the amount of technology development in the personal services industry. Due to increased information access for both supply chain participants and actors in the services sector, technological innovation is quickly altering the supply chain. The personal services industry's technical maturity is still developing, and many competitors are competing with one another for new developments that will help them expand their market share in India. Thomas Cook India must satisfy and manage these expectations as well as innovate to stay ahead of the competition given how widely used mobile technology is in the services sector. The company must also pay particular attention to how user experience is evolving and improving as a result of 5G's increased speed and access, since this might fundamentally alter how customers interact with the personal services sector. Thomas Cook India should also keep an eye on the most recent technological advancements made by its rivals because they can offer important clues about the future of the personal services business model.

4.1.5 Environmental factors

Environmental considerations influencing Thomas Cook India include shifting environmental norms that shift product innovation goals, recycling becoming the rule rather than the exception, the Paris Climate Agreement, the expansion of renewable technologies, regular examination by environmental agencies, and customer advocacy. Environmental norms are trending toward creating products based on environmental standards and expectations, rather than traditional value propositions. Thomas Cook India must prepare to follow rules and expectations in the services sector as recycling is becoming the norm in the Indian economy. The Indian government has targets it must meet under the Paris Climate Agreement, which could lead to more examination of Thomas Cook India's environmental standards. The company has an opportunity in the field of renewable technology because India is offering incentives for investments in this industry. The company's operational costs are also rising as a result of ongoing environmental agency inspections. Customer activism is also on the rise, and customers expect Thomas Cook India to not only meet but also surpass regulatory requirements in order to become a responsible member of the community.(Anon. [b.r.])

4.1.6 Legal factors

With the implementation of the Personal Data Protection Bill, 2019, data protection rules in India have been enhanced in recent years. By establishing a framework for data processing and handling, this measure seeks to safeguard the personal information of persons. Thomas Cook India will have to make sure this regulation is followed and put strong safeguards in place to prevent data breaches. In addition, health and safety standards in India are governed by a variety of laws and regulations, including the Factories Act of 1948 and the Occupational Safety, Health, and Working Conditions Code of 2020. Thomas Cook India will have to take further steps to assure adherence to these standards and laws, which could cost more money.

To safeguard the environment and encourage sustainable development, India has also established a number of environmental laws and regulations, including the National Green Tribunal and the National Green Corps. Thomas Cook India must abide by these rules and laws and make sure their operations don't hurt the environment. Also, Indian laws like the Indian Copyright Act of 1957 and the Indian Patent Act of 1970 safeguard intellectual property rights. Patents, copyrights, and other IPR rights are legally protected by these laws in India. There are several more laws and regulations, including the Industrial Disputes Act of 1947 and the Indian Contract Act of 1872, control employment rules in India. Personal services businesses like Thomas Cook India may be impacted by these laws.

4.2 SWOT analysis

A SWOT analysis is a tool used to evaluate the strengths, weaknesses, opportunities, and threats of a business. This study will examine SWOT analysis from a historical, theoretical, and temporal perspective. The data is collected from various sources like SWOT analysis definition and for what and why they use written by Stephen J. Bigelow, Linda Tucci from techtarget, SWOT analysis :theoretical review(Gurl 2017) and articles of Thomas Cook India. Strengths and weakness are considered as internal and opportunities and threats are considered as external factors. Applying this to Thomas Cook India, the results of a SWOT analysis might include the following:

Table 3: Thomas Cook SWOT analysis

STRENGTHS	WEAKNESS
• Large geographic presence • Talented employees • Low-cost human resource and doing business • Technological advancement • Marketing and promotion • E-invoicing • Health and Safety Law	• Niche industries and regional monopolies • Supplier allegiance • Lacking managerial insight • Limited currencies/ Currency scarcity • For wire transfers, physical appearance is required

• Easy money transfer • Locked exchange rate • Make products and services simple to access. • Robotic quality control to facilitate quick reporting • Virtual KYC integration	• Eligibility criteria-Indian citizens • Lack of visibility • Limited innovation with regards to products and services • Constrained financial support for digital platforms and technologies • Reliance on external suppliers • Poor trading
OPPORTUNITIES	THREATS
• Utilize the trade agreements and contracts formed and signed by the respective country of origin • Enhanced technological advancement aids in attracting foreign direct investment. • Collaboration on a local level • Rising need for digital and environmentally friendly travel solutions • Business expansion • Government assistance and promotion of tourism	• High Inflation • High interest rate • Increase in doing business due to unemployment rate • Competition • Losing customers • Product segment commoditization • The product development is being overtaken by rivals. • Monetary crises • Cybersecurity issues/data privacy • COVID

Source: Own contribution

4.2.1 Strengths

Thomas Cook India possesses a number of advantages/strengths that contribute to its competitive advantage in the Personal Services industry. Strong brand recognition, a varied product mix that appeals to various customer segments, a proven track record of innovation, a large geographic presence, and a competitive advantage in a crowded market are a few of these. The company also has a wide network of offices and partners around the nation, allowing it to offer clients individualized, effective, and dependable service. Also because of RPA (Robotic Process Automation), the company is more advantageous as it decrease the costs, productivity of employee increased with minimal or no errors and also it gives real time data for reporting. The company can charge a premium and expand its market share in the Personal Services industry. Thomas Cook India distinguishes itself from its rivals by adhering to e-invoicing, integrating virtual KYC, and using robotic quality control. These practices all ensure a high degree of client satisfaction.

4.2.2 Weakness

The weaknesses which are mentioned are some of the potential challenges that Thomas Cook India may be facing in the current market. Operating in narrow markets or areas where there is fierce rivalry from well-established companies might make it challenging for the business to grow its customer base or income. The performance of the company can also be negatively impacted by supplier loyalty and by customers leaving owing to a lack of personalisation, poor customer service, or a lack of digital options. Other significant difficulties that could have a detrimental effect on the company's performance and competitiveness include a lack of managerial understanding, restricted currency options and currency scarcity, the need to physically be present to make wire transfers, and eligibility requirements like the person should be Indian citizens for availing services. It was also not able to promote its products and services to potential customers effectively, which causes a drop in sales.

Additionally, because of the company's lack of product and service innovation, it was unable to adapt to changing consumer preferences and lost clients to more creative rivals. Likewise, the company's access to funding for digital platforms and technologies was restricted. Thomas Cook was at a disadvantage compared to rivals who've been capable of investing more heavily in these areas, making it difficult for it to effectively leverage technology to improve its operations and customer experience. Besides that the company is extremely dependent on outside suppliers for many of its services and goods, making it susceptible to supply chain disruptions. Significant operational difficulties and additional expenses followed from this. Ultimately, the company's failure was also a result of poor trading performance. Together, these flaws prevented Thomas Cook from competing and adapting to a market that was changing quickly. Therefore, to increase the company's performance and competitiveness, it can be helpful for the company to address these issues and discover strategies to lessen their effects.

4.2.3 Opportunities

The opportunities which have been listed are some of the potential areas that Thomas Cook India may be able to take advantage of to improve its competitiveness and performance in the market. By gaining access to new markets and customers, the company can gain a competitive edge by using trade agreements and contracts created and signed by the relevant country of origin. The client experience can be improved, operational efficiency can be increased, and foreign direct investment can be attracted with the use of improved technology. The quality and value of its travel packages and services can be increased through local cooperation as well as access to new markets and clients. It is also possible to capitalize on shifting consumer tastes to set itself apart from rivals and draw in new clients, such as the rising need for digital and environmentally friendly travel solutions. Finally, corporate development through the entry of new markets, the introduction of new travel packages and services, and the diversification of its revenue sources can also aid the company in enhancing its performance and competitiveness in the market.

4.2.4 Threats

There could be a number of hazards to Thomas Cook India's operations. The fierce rivalry from other travel agents, online travel agencies, and airlines is one serious challenge. This may make it more difficult for the business to gain new clients, keep existing ones, and grow its market share. Additionally, the business may find it difficult to adjust to shifting consumer tastes. Natural calamities and geopolitical events might alter travel plans and leave clients apprehensive, which could have a detrimental effect on the business's income and reputation. The company is also vulnerable to cyber-attacks or data breaches, which could harm its brand and result in losses of money. Thomas Cook India might be overly reliant on outside suppliers, which might reduce its ability to manage pricing and quality and limit its flexibility. Also, COVID is one of the biggest threat to the company which had let to closure of few branches due to financial constraints.

Also, changes in macroeconomic factors, such as changes in economic growth, interest rates, and inflation, may have an impact on the performance and expansion of the company. Consumer spending and travel may decline during economic downturns or recessions, which could have a detrimental effect on the company's sales and profitability. The corporation may also be at risk from currency volatility and exchange rate risk. Also risks such as currency risk, changes in government policies and regulations, and inflation risk which could negatively impact its financial performance, operations, revenue and profitability. It's crucial for the company to closely monitor these macroeconomic conditions and take necessary actions to mitigate the risks by using financial instruments such as currency forwards, options, or swaps, keeping a close watch on government policies and regulations, and using financial instruments such as inflation-linked bonds or derivatives to protect itself against inflation.

4.3 Interview with manager

Thomas Cook India is a well-known travel company that provides a range of travel-related services to its customers. As a travel company, Thomas Cook India is heavily influenced by exchange rate, political risks and covid risk which can have a significant impact on its business operations. Understanding these risks is essential for the company to make informed decisions and take appropriate measures to mitigate any potential negative effects. In this thesis, the writer will explore some commonly asked questions about exchange rate, political risks and covid risks in relation to Thomas Cook India and also discuss how these risks can impact the company's operations and strategies. The questions were constructed based on the literature of survey research handbook of Palgrave (Vannette a Krosnick 2018), questionnaire research (Patten 2016), interviewing as a data collection method (Alshenqeeti 2014), qualitative interviewing (Brinkmann 2013) and qualitative research method- interviewing and observation (Jamshed 2014).

Here are some interviewed questions and answers with the manager in one of the branch of Thomas Cook India in regards to exchange rate, political risks and covid risks.

1. As a manager in Thomas Cook India, how significant is political and exchange rate risk?

Political risk and exchange rate are both key considerations for organizations in the travel and tourist industry, such as Thomas Cook India. It is crucial for businesses to monitor and manage these risks as part of their overall risk management strategy because both political risk and exchange rate risk have the potential to significantly affect the profitability and sustainability of a company operating in the travel and tourism industry.

2. What political and exchange rate risks does Thomas Cook India face in its business operations?

Thomas Cook India suffers exchange rate risks due to fluctuations in the value of the Indian rupee relative to other currencies and political risks associated with insecurity and policy changes in the countries in which it operates.

3. How frequently political risk assessment and currency rate assessment is done in Thomas Cook India?

The company evaluates political risk and currency rate on a regular basis, like monthly or quarterly, or as necessary in response to certain events or changes in the geopolitical or economic landscape.

4. What kind of political and exchange rate assessment is done by Thomas Cook India?

Like any other travel agency, Thomas Cook India conducts political and exchange rate analyses as part of its risk management plan. Thomas Cook India political risk assessment assess the safety and political climate where it conducts business and make sure they are aware of any potential hazards or snags in their operations. This may entail evaluating the threat of terrorism, civil upheaval, or other political instability in the nations where they conduct business.

In terms of exchange rate risk analysis, the company analyses the possibility of currency fluctuations and make sure they have a strategy in place to lessen the effects of any large changes in exchange rates on their company. This can entail using currency derivatives like forwards, futures, and options to hedge currency exposure. However, Thomas Cook India perform analyses of political and exchange rates as a part of its risk management plan in order to safeguard the company's revenue and profitability, as this would assist the business in identifying potential risks and taking action to mitigate them.

5. How does Thomas Cook India control the risk of exchange rates in its business?

A variety of solutions have been put in place by Thomas Cook India to control exchange rate risk in its business operations. Utilizing hedging tools, such as forward contracts and currency options, is a crucial strategy for reducing the effects of exchange rate swings on a company's financial performance. In order to lessen the effects of exchange rate risk, the company also regularly analyses changes in exchange rates and modifies its pricing and operating strategies as appropriate.

6. Is there any evidence that exchange rates have had a substantial impact on Thomas Cook India's financial performance?

The weakening of the Indian rupee versus the US dollar in 2018 is one instance of a circumstance in which exchange rates significantly impacted Thomas Cook India's financial performance. The devaluation of the rupee had a detrimental effect on the company's profit margins because a substantial amount of the company's expenses were incurred in dollars while its revenue was generated in rupees. This highlights the need of managing exchange rate risk efficiently because even minor changes in currency values can have a big influence on a company's financial performance.

7. How does Thomas Cook India keep track of evolving political risk in its global operations and react to it?

A specialist risk management team at Thomas Cook India keeps track of global political events and changes and evaluates how they can affect the business. This can entail routinely keeping track of and evaluating political risks, determining their likelihood and impact, formulating and putting into practice reaction plans and tactics, and routinely reviewing and upgrading its risk management framework. The framework's specifications vary depending on a number of variables, including the organization's size, scope, and political risk exposure.

In regard to response to changes, the team also assesses the efficiency of current risk reduction techniques and employs new ones if required. They also have risk management plans and processes in place, which would require continuous monitoring and forecasting of the political and economic climate in countries where it operates. The company have also taken out insurance policies to guard against specific risks like political instability.

8. How has Thomas Cook India's business been affected by the COVID-19 pandemic?

The business operations have been significantly impacted by the COVID-19 pandemic. The pandemic has had a significant impact on the travel industry as a whole, resulting in numerous travel restrictions and cancellations. As a result, in order to maintain both business continuity and customer and employee safety, the company had to make sizable changes to their operations. In order to ensure adherence to rules and regulations set forth by the government, new protocols, including temperature checks, social segregation measures, and heightened sanitation procedures, have been put into place. In order to manage supply chain and keep up with operations, the company has quickly adjusted to shifting travel restrictions and regulations. Also, the business had to close few of the branches due to the impact of COVID. But besides these difficulties, the company is persistent in the commitment to giving their customers secure and pleasurable travel experiences, and also, they have been proactively addressed the pandemic's impact on the business operations.

9. What steps have been taken to address the financial performance of the company as a result of the pandemic?

The company’s financial results have suffered significantly from the COVID-19 pandemic, just like the entire travel industry. So, they had taken action to manage the financial stability because the widespread cancellation of travel reservations had a significant impact on the revenue. They have also examined new revenue sources and reviewed the cost structure to address this issue. Additionally, the company has given workers flexible scheduling options, which has allowed them to control costs while maintaining productivity. Besides that, they have concentrated on enhancing their digital capabilities so that they can reach customers more successfully and provide them with a variety of travel services online.

Likewise, the company has worked closely with their suppliers to efficiently manage the supply chain, and was told that they have had success in negotiating new terms and conditions that have improved the ability to manage cash flow. Despite these difficulties, the company is still committed to achieving long-term objectives, and has taken proactive steps to deal with the effects on the financial performance. And as mentioned, they believe that their efforts will enable them to get through these challenging circumstances and, in the end, come out stronger.

10. How has the business used technology to enhance the experience of the customer throughout the pandemic?

When the pandemic hit, Thomas Cook India used technology to enhance the customer experience. To enable customers to access services online from the convenience of their homes, the company has concentrated on improving their digital capabilities. They have put in place new reservation systems that let customers book and manage their reservations online. This has lessened the need for in-person interactions, allowing the company to preserve social distance and ensure the safety of both clients and staff. Additionally, they have also added new functions to their website and mobile app that make it simpler for users to find information they need, like safety precautions and travel restrictions. Also, the company has integrated chatbots and other automation tools that enable to offer 24/7 customer support, ensuring that clients get prompt and effective help regardless of when they require it. During pandemic, the company has been able to enhance the customer experience and uphold their reputation as a customer-centric travel agency by utilizing technology in these ways.

11. Does Thomas Cook India require any need for the development or expansion in general?

Thomas Cook India, like all other firms, should constantly examine operations and plans to identify areas for development and improvement in order to remain competitive and relevant in their market. The demand for expansion in the travel and tourism sector may be influenced by a variety of factors, such as shifting consumer tastes, market trends, and technological breakthroughs. Nonetheless, striving for continuous development and progress is generally a good strategy for any firm.

4.4 Identification of risk

As a travel company, Thomas Cook India is exposed to various types of risks, including exchange rate, political risk and covid risk. The interrelated nature of political and exchange rate risks makes them more significant than other risks. Political risks, for instance, may result in changes to government regulations that affect exchange rates, or geopolitical unrest may cause a currency to devalue abruptly. In addition to these risks, the covid risk had a significant impact on the company's performance. To lessen the impact on their operations and financial performance, the company must actively monitor them as these risks can have a significant impact on the company's operations and profitability, and it is essential for the company to identify and manage these risks effectively. To do so, a comprehensive analysis of the threats associated with exchange rate, political and covid risks has been conducted.

In this, the writer presents a list of the threats which can be identified in relation to these three types of risks, namely, exchange rate, political and covid risks and a brief description of each threat, along with an explanation of how it can impact the company's business. The threats identification is based on the articles and journals, namely, identification of risk factor -covid (Wang a Wang 2021), Risky Business: Identification, Assessment and Management (Ashley et al. [b.r.]), political risk management (Giambona et al. 2017), managerial risk-taking incentives influence firms' exchange rate exposure (Francis et al. 2017b) and the annual reports of Thomas Cook India. However, understanding these threats is crucial for Thomas Cook India to take appropriate measures to mitigate the potential negative effects and ensure the long-term success of its operations. Below are few of the threats identified based on general analysis of the company. These threats are broad categories that cover a range of specific risks that the company may face.

4.4.1 General Risk Identification of Thomas Cook India

Thomas Cook India has a variety of assets, which can be broadly categorized into two categories: current assets and non-current assets.

Current assets of Thomas Cook India include currencies, other financial assets, and material properties like printers, computers, laptops, and lockers. Additionally, human resources, including trained and new employees, are also considered as assets for the company.

Non-current assets of Thomas Cook India include data or information like internal documents, data, and other intellectual properties like trademarks and copyrights. Goodwill, which is the reputation and brand value of the company, is another non-current asset for the company. Finally, the building and the internet infrastructure of the company are also considered as non-current assets.

Overall, Thomas Cook India has a mix of current and non-current assets, including financial assets, material properties, human resources, data and intellectual properties, goodwill, and infrastructure, that are essential for its business operations and growth.

4.4.2 Identification of exchange rate risk

For individuals, companies, and governments involved in international trade and investment, exchange rate risk is a common problem. It alludes to possible monetary losses that might result from changes in currency exchange rates. Exchange rates are complicated to predict and control because they are influenced by a variety of economic, political, and social factors. Effective risk management and decision-making in international trade and investment depend on recognizing and understanding exchange rate risks

Indian rupee's monthly exchange rate against the US dollar for the year 2022

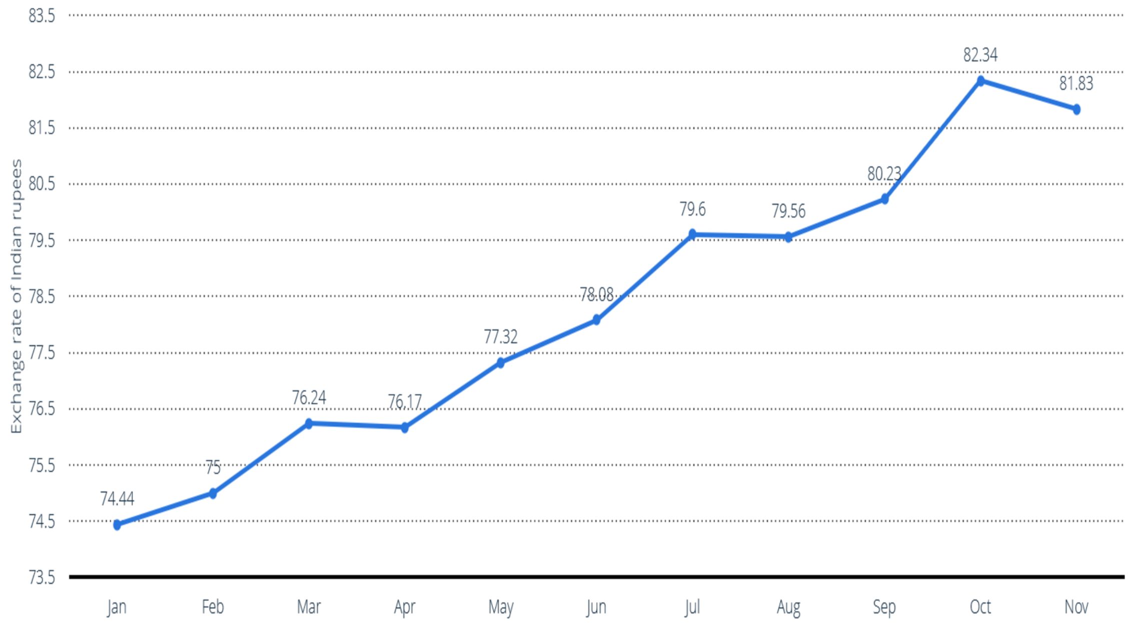

Figure 8: Exchange rate of INR against USD in 2022

Source: stats.oecd.org, Statista, 2022

As one can see from the figure 8, the INR value is depreciating tremendously. Also it is shown that in the beginning of the year 2022, the INR value over USD was only 74.44, but by the end of the year the USD value is around 81.83 for 1 rupee. By this we can understand the effect of exchange rate which could affect the business who involves in exchange rate transactions.

However, Thomas Cook India's income and cash flows may be impacted by a variety of exchange rate risks, including currency fluctuations, translation exposure, and transaction exposure. The success and long-term growth of the business depend on the ability to recognize and manage these risks. To assess and reduce exchange rate risks in this situation, a variety of analytical tools and strategies are available, such as hedging, diversification, and risk sharing. In order to provide a general overview of exchange rate risk identification and management, the author explores the exchange rate risks that Thomas Cook India might be exposed to, and best practices for effectively identifying and managing these risks.

The following table 4 will be evaluated using the scale of 1 to 5, where 1 is considered as low threat and 5 is considered high threat

Table 4: List of threats identified with regard to exchange rate

	Threats identified	Impact (scale1-5)	Probability(Scale 1-5)
A	Risk of competitors in the same field	4	4
B	Loss of employees	4	3
C	Theft of money resources/money laundering	4	3
D	Exchange rate drop	3	3
E	Alternative way to exchange money i.e bank, online or other exchange platforms	4	4
F	The acceptance of fake/ counterfeit money	4	2
G	Employees making mistakes	3	2
H	Fire	5	2
I	Flood	5	1
J	Loss of access codes	4	2
K	Improper/inaccurate paperwork/documentation	4	2
L	Breakdown of the PC technology	4	3
M	No safety of Lockers	4	3
N	Increase in interest rate and inflation	3	3
O	Loss of investment return	4	3

Source: Own contribution

- **Analysis of threats identified**

A. Risk of competitors in the same field:

Competition in the same industry pose the biggest threat to Thomas Cook India, particularly with regard to exchange rates. The company encountered difficulties in the highly competitive market because it had to set itself apart from the competition by investing in innovation and technology. Exchange rate risk also affects the company's profitability, necessitating risk management techniques like hedging and trustworthy distribution network partnerships. In order to compete in the market, Thomas Cook India has to stay one step ahead of the competition and manage risks.

B. Loss of employees:

Thomas Cook India can be seriously threatened by the loss of staff members with experience in managing exchange rates. This might affect the business's capacity to manage its exposure to risk and foreign exchange positions, as well as its standing and capacity to draw in new clients. In order to successfully manage foreign exchange positions and maintain market competitiveness, the company has to make investments in employee retention and development, succession planning, cross-training programs, and solid supply chain relationships.

C. Theft of money resources/money laundering

Money theft or money laundering can have a big impact on an organization. Financial losses, reputational harm, and potential legal and regulatory penalties are all possible outcomes of this kind of illegal activity. Additionally, it may damage the confidence of investors, stakeholders, and clients. Investigations, audits, fines, and the involvement of law enforcement organizations are all possible outcomes in some circumstances. There wouldn't be enough money to keep the exchange operation going as a result. Organizations should implement strong internal controls, conduct routine audits, and regularly train employees about the indications and effects of illegal financial activities in order to reduce the risk of theft or money laundering.

D. Exchange rate drop

An organization is at risk from a sudden decline in exchange rates, especially if it uses foreign currencies or operates internationally. If the company has unpaid obligations in foreign currencies, it could also lead to lower profits and more debt. Furthermore, changes in exchange rates can breed uncertainty, which makes it challenging for business to plan and carry out their strategies. Thomas Cook India may be impacted by a decline in the exchange rate in a number of ways. International travellers may find it more expensive to travel outside the country if the company is based in a nation with a weaker currency (such as India). This might result in less interest in the company's goods and services. A stronger currency may also require the company to pay more for inputs, which would raise operating costs and hurt profitability. Company can use hedging techniques like currency forwards or options to manage this risk, or they can think about diversifying their operations across different currencies.

E. Alternative way to exchange money i.e bank, online or other exchange platforms:

The tourism industry may benefit or suffer from the availability of alternative methods of exchanging currency. On the one hand, it might make currency exchange easier and more accessible for travellers, which would increase travel. However, it can also increase competition among traditional exchange providers, like banks and exchange bureaus, and reduce their profit margins. Using digital and online platforms for currency exchange can also lead to security issues like the possibility of fraud and cyberattacks. In the end, how well these new options meet traveller needs and preferences and how they are received by the larger market will determine how they have an impact on the tourism industry.

F. The acceptance of fake/ counterfeit money:

There could be a number of repercussions if renowned travel company Thomas Cook were to accept fake or counterfeit money. The company might suffer financial losses as a result because fake money has no value and cannot be used to pay for goods or services. Furthermore, if rumours about Thomas Cook accepting counterfeit money were to spread, it might damage the company's reputation and undermine both customer and public confidence. The company might see a decline in bookings and revenue as a result of this. Additionally, Thomas Cook might be subject to legal repercussions because it's against the law in many nations to circulate fake money. The company may suffer severely and significantly as a result of accepting fake or counterfeit money.

G. Employees making mistakes:

Thomas Cook India had to contend with the possibility that staff members might manage exchange rates incorrectly. The reputation and financial success of the company are dependent on the accuracy of exchange rate calculations since the travel agency provides foreign exchange services. The possibility of employees mismanaging exchange rates pose a serious threat to Thomas Cook India's financial performance and reputation. The business must make investments in employee training and development, internal controls and processes, and sophisticated technology solutions to address this challenge in order to reduce the risk of errors and uphold customer trust.

H. Fire:

The company and its operations would probably be significantly impacted if there was a fire at a Thomas Cook India location. First, there could be actual physical harm to the property, such as the destruction of tools and infrastructure, which would demand time and money to fix or replace. Second, it might stop the company's regular business operations and annoy customers, which might result in a possible loss of business. Additionally, a fire could also result in the loss of important records, documents, money and data, which could pose a challenge for the company in terms of recovery and continuation of business. Furthermore, if the fire causes harm to employees or customers, the company may face legal liability and reputational damage. All in all, a fire at Thomas Cook India would likely have a significant impact on the company's short-term and long-term success, and it would be important for the company to have contingency plans in place to minimize the effects of such an event.

I. Flood:

The threat of floods to Thomas Cook India is discussed, along with how they could affect the exchange rate. Floods have the potential to harm the tourism sector, cause inflation, reduce the value of the currency, and erode the confidence of investors and currency traders in the national economy, which would lower foreign exchange inflows and the exchange rate. To lessen the effect of floods on its business operations, Thomas Cook India must closely monitor the situation and take the necessary action.

J. Loss of access codes:

Losing access codes can result in transaction delays or cancellations, cyberattacks, financial losses, reputational damage, and lost business. Thomas Cook India must put strong security measures in place, such as multi-factor authentication systems, frequent password changes, and limiting access to financial systems and databases to authorized personnel only, in order to reduce the risk of loss of access codes. In order to make sure that all employees are aware of the risks and are prepared to respond to potential security breaches, regular security audits and training programs are also crucial.

K. Improper/inaccurate paperwork/documentation or illegal practices:

Threats to Thomas Cook India include insufficient or incorrect paperwork or documentation, fluctuating exchange rates, and illegal practices. Strong systems and procedures must be in place for the company to supervise fluctuations in exchange rates and confirm the accuracy of documentation. Additionally, to stop fraud and other illegal activities, it should make investments in cutting-edge technologies and security measures. These safeguards will guard against monetary losses and detrimental effects for both the business and its clients.

L. Breakdown of the PC technology

Thomas Cook India may also be threatened by PC system failures in the area of exchange rates, which could cause disruptions and result in potential financial losses. Another risk is data breaches, which can hurt the business's reputation and clients. The business must make investments in top-notch hardware and software, update its systems frequently, perform cybersecurity audits, and have a disaster recovery plan in place in order to mitigate these threats. By doing this, the business can safeguard both itself and its clients from unfavorable outcomes.

M. No safety of Lockers

When Thomas Cook India use lockers to store money, passports, and other valuable items, there is a risk that valuables could be stolen or lost. To reduce its financial risks, the company must invest in protected locker systems, put in place strong security protocols, audit locker systems on a regular basis, train staff to follow proper security protocols, keep an eye on locker access and usage, and have insurance policies in place. The business can safeguard both itself and its clients from monetary losses and reputational harm by taking proactive measures.

N. Increase in interest rate and inflation

In terms of exchange rate risk, Thomas Cook India is significantly threatened by rising interest rates and inflation. The effects of interest rate spreads, inflation, and higher borrowing costs may have a negative impact on a company's revenue, profitability, and capacity to control its exposure to foreign exchange. Thomas Cook India must implement effective risk management techniques, such as hedging against currency movements, diversifying its sources of income, and investing in new technologies to cut operating costs, to decrease these risks.

O. Loss of investment return

In the area of exchange rate risk, Thomas Cook India is significantly threatened by the loss of investment return. The company is vulnerable to changes in exchange rates, which may have an effect on the value of its investments and its capacity to make money. By hedging against price fluctuations, diversifying its investment holdings, and keeping an eye on political risks, Thomas Cook India can reduce these risks and maintain the viability of its business operations.

4.4.3 Identification of political risks

Political risk is the term used to describe the potential harm that political and social factors could do to a company's operations, financial results, and reputation. Political risk is an important factor for Thomas Cook India to take into account because it operates in a dynamic and unpredictably changing global environment. Thomas Cook India must effectively recognize and manage these political risks because they have the potential to impact the company's revenue, cash flow, and brand reputation. Here, the writer will look at the political risks that Thomas Cook India might have to deal with and offer tips and useful advice for identifying, evaluating, and reducing those risks. Thomas Cook India will be better able to navigate the complex and demanding political environment and increase its ability to adapt in the face of potential political risks as a result of the exploration of important elements such as political risk analysis, risk management strategies, and crisis management.

The following table 5 will be evaluated using the scale of 1 to 5, where 1 is considered as low threat and 5 is considered high threat

Table 5: List of threats identified with regard to political risk

	Threats identified	Impact (scale1-5)	Probability (Scale 1-5)
a	Change in Government law	4	4
b	Increase in interest rate and inflation	4	4
c	Loss of investment return	4	4
d	Decrease in the tourism	4	3
e	Unpredictable events	3	2
f	Cross border restrictions	3	2
g	Profits lowering due to political events	4	3
h	Ignore or incorrectly identify political risk	4	2
i	Different international laws	3	3
j	Bribery or corruption	5	5
k	Trade disputes	4	3
l	Civil unrest	5	2
m	War	5	2

Source: Own contribution

- **Analysis of the elaborated risk**

a. Change in Government law

The possibility of governmental law changes could have a significant effect on Thomas Cook India's business operations and financial results. New requirements that the business must adhere to due to changes in laws and regulations may be expensive and time-consuming to implement. For instance, modifications to tax laws or the requirements for traveler visas may raise the costs incurred by the business and make it more challenging for it to deliver its services. Additionally, modifications to governmental rules and laws may cause alterations in consumer behaviour, which might have a detrimental effect on the demand for the company's services. The demand for Thomas Cook India's services may decline if the government, for instance, imposes stricter regulations on travel, which may deter consumers from traveling.

Because of this, it's critical for Thomas Cook India to keep track of changes in governmental policies and laws and to be ready to adjust as necessary. This might entail getting legal advice to understand the implications of new laws and regulations, creating backup plans to counteract potential effects, and spending money on technology and resources to stay up to date with regulatory changes. Thomas Cook India can lessen the risks associated with changes in governmental laws and regulations and continue to offer its customers top-notch services by being proactive and well-prepared.

b. Increase in interest rate and inflation

Thomas Cook India, a top travel company in India, is seriously threatened by the rise in interest rates and inflation. These risks are closely related to political risks, which are dangers brought on by government policies and actions that might be bad for business. The demand for Thomas Cook India's services may decline as a result of higher borrowing costs brought on by rising interest rates and lower consumer spending as a result of inflation, which would be detrimental to the company's operations and profitability. The company must closely monitor these risks and take preventative action to lessen their impact.

c. Loss of investment return

Thomas Cook India deals with the political risk like changes in trade laws, and tax laws all of which could have an effect on its investment. Investing in a diverse range of securities, keeping an eye on political developments, and interacting with government agencies to shape policy are all instances of preventative plans. To minimize the impact of political risks on investment return and ensure the sustainability of the company's business operations, effective risk management is essential.

d. Reduction in tourism

Thomas Cook India faces a serious political risk from a decline in tourism because of elements like political unpredictability, security worries, and modifications to governmental rules and regulations. Also various political factors, such as altered visa regulations, travel restrictions, or elevated safety worries in some areas, may be to blame for the decline in tourism. It may be more challenging for Thomas Cook India to expand its business as a result of these political factors because they directly affect the demand for tourism services. Additionally, a decline in tourism may have unintended political repercussions due to the possibility of job losses and a decline in economic activity in the areas where Thomas Cook India conducts business due to a decrease in demand for tourism-related services. Increased political pressure and unrest may follow this decline in economic activity, which may further affect the company's capacity to operate and create income.

Thomas Cook India may need to diversify its operations and concentrate on areas that are less affected by changes in political conditions in order to lessen the effects of this political risk. To ensure a positive travel experience for its customers, the company may also need to be proactive in addressing any safety concerns or travel restrictions and partner with pertinent government organizations and other interested parties.

e. Unpredictable events:

Unexpected things can put Thomas Cook India at serious political risk. As a travel and tourism business, Thomas Cook India is susceptible to incidents like natural catastrophes, civil unrest, or terrorist attacks that may affect the customer base. These unforeseen occurrences may not only cause a decline in demand for the company's services but may also damage public perception of the areas in which Thomas Cook India operates, making it more challenging for the business to draw in new clients and keep existing ones.

Unforeseen circumstances may also cause operational disruptions, like the discontinuation of flights or the closing of travel routes. These setbacks may have an adverse effect on the business's capacity for profit-making and maintaining operations, as well as raise the cost of safety precautions or emergency planning. Thomas Cook India may need to implement a risk management strategy that is proactive and adaptable to changing circumstances in order to lessen the effects of this political risk. To ensure the safety and wellbeing of its customers, the business may need to make investments in methods for risk reduction and contingency planning, as well as collaborate with relevant people and governmental organizations.

f. Cross border restrictions:

Cross-border limits can put Thomas Cook India at serious political risk. Thomas Cook India is a travel and tourism business that heavily depends on the freedom of its customers to travel across borders for revenue and profitability. The requirement for the organization's services can be directly impacted by cross-border restrictions, such as visa requirements, travel bans, or security concerns, making it more challenging for Thomas Cook India to expand its business.

Cross-border limitations can also cause operational hiccups like flight cancellations or the closing of travel routes. These setbacks may have an adverse effect on the business's capacity for profit-making and maintaining operations, as well as raise the cost of safety precautions or emergency planning. Thomas Cook India might have to broaden its activities and concentrate on areas that are less affected by cross-border restrictions in order to lessen the effects of this political risk. In order to guarantee a positive travel experience for its customers, the company must additionally be proactive about dealing with any entry requirements or security concerns, as well as work with pertinent government agencies and stakeholders.

g. Profits lowering due to political events:

Political risk for Thomas Cook India could be significant if profits declined because of current affairs. The travel and tourism sector is sensitive to political developments because shifts in the political climate can have an immediate impact on consumer confidence and demand for the industry's products and services. Political occurrences like terrorist activity, civil unrest, or international pressure may reduce travel demand and lower the company's profits. Establishing close ties with elected officials and advocating for public policies can both have an impact on policy choices and help to create a welcoming regulatory environment.

h. Ignoring or incorrectly identifying political risk:

Political risk can be ignored or incorrectly identified, which could be very dangerous for Thomas Cook India. Political developments and shifting political landscapes have a significant impact on the travel and tourism sector, and failure to recognize and handle these hazards can cause substantial monetary losses and reputational harm for the business. Thomas Cook India must have a strong risk management strategy in place and be alert in recognizing and evaluating political risks that could have an effect on its business in order to lessen the effects of this political risk. Additionally, the business needs to have a backup plan in place so that it can react swiftly and effectively to any potential political events.

i. Different international laws:

Different international laws could pose a serious political risk to Thomas Cook India. The travel and tourism sector is highly globalized, and company like Thomas Cook India conduct business across numerous nations and regions, each of which has its own distinct set of rules and laws. Thomas Cook India could experience legal and financial repercussions for failing to adhere to local laws and regulations, which could be detrimental to the company's standing and financial stability. For instance, if the business breaks local labor laws, it may be sued by employees or government agencies, which could cost a lot of money in penalty fees or court settlements. Thomas Cook India must have a strong legal compliance program and additionally needs to have a backup plan in place so that it can react swiftly and successfully to any potential legal or regulatory challenges.

j. Bribery or corruption:

Thomas Cook India is facing serious threats from corruption and bribery in the area of political risk. Bribery can happen when businesses give gifts, favours, or cash payments to government officials or other stakeholders in order to gain an unfair advantage in negotiations. Government officials who abuse their positions of authority for personal gain or engage in dishonest behaviour that hurts businesses are also guilty of corruption. Corruption and bribery can have serious repercussions for Thomas Cook India. It might result in penalties, legal action, and harm to one's reputation. Additionally, it may have a negative effect on how the company interacts with other stakeholders and the government, which will make it more difficult for it to operate efficiently. The business must implement a robust ethical and compliance program, perform in-depth due diligence on partners and suppliers, and foster a strong compliance culture throughout the organization in order to reduce this risk.

k. Trade Disputes:

Thomas Cook is subject to sizable threats from trade disputes. Any deterioration in trade relations may have an effect on the company's operations and financial results. Tariffs and other trade restrictions that raise the cost of doing business or limit access to crucial markets may be imposed as a result of trade disputes. Furthermore, trade disputes may increase market volatility and uncertainty, which may affect consumer confidence and spending. Thomas Cook India must closely monitor political developments, interact with key stakeholders, and consider diversifying its operations and revenue streams to lessen its reliance on any particular market or region in order to reduce the risks associated with trade disputes.

l. Civil unrest:

Thomas Cook India may be exposed to risks associated with civil unrest. Civil unrest can occur for a number of reasons, such as civil turmoil, economic inequality, and social tensions, and can take many different forms, such as riots, protests, and strikes. Thomas Cook India's business operations may be significantly impacted by civil unrest if it affects the transportation, tourism, and supply chain sectors. For instance, the company's ability to conduct its tours and activities may be negatively impacted by road closures, curfews, and transportation disruptions, which could result in a drop in sales and profits. The reputation and brand image of the company can also be impacted by civil unrest. Travelers might steer clear of locations that are regarded as unsafe, which would decrease demand for Thomas Cook India's services.

m. Wars:

War can cause disruptions in the travel industry by closing borders, disrupting transportation systems, and raising security concerns. The company operations and profitability of Thomas Cook India may be significantly impacted by this. The company might experience a decline in the demand for its services, which would result in lower sales and profitability. Thomas Cook India must closely monitor political developments and interact with relevant stakeholders, such as governmental organizations and security agencies, in order to reduce the risks associated with war.

4.4.4 Identification of COVID risk

In the figure 9, it is seen that India was the 2nd most affected country worldwide with 6.78 % of covid cases and US stands first with 15.48% of covid cases in the year 2022. There are many businesses which were affected by covid and had to shut down their operations in India.

As of December 2022, the prevalence of coronavirus (COVID-19) cases worldwide

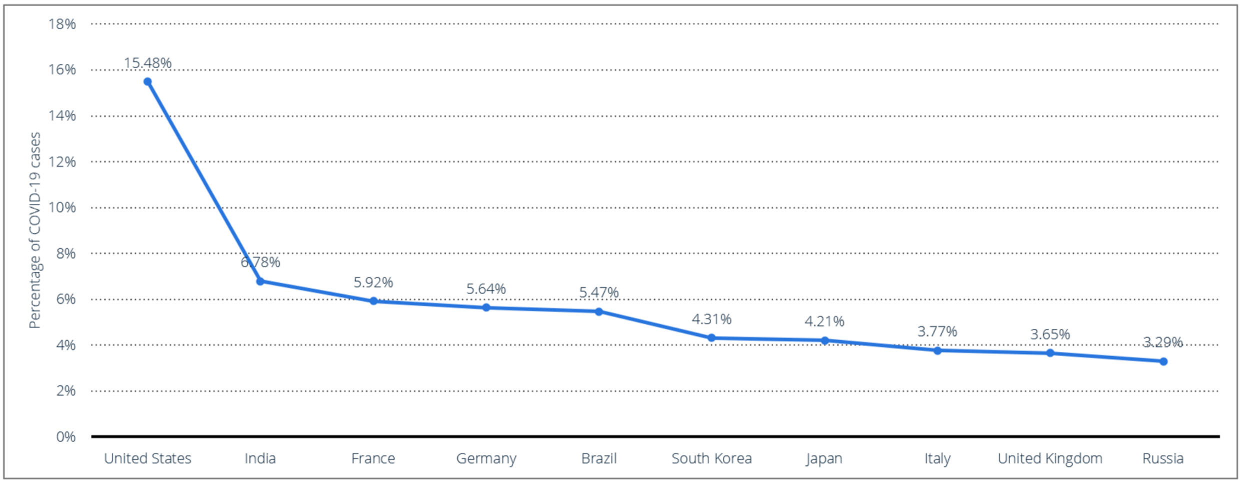

Figure 9: Covid cases worldwide

Source: worldometers.info, Statista, 2022

However, Thomas Cook India has been significantly impacted by the COVID-19 pandemic, which poses a serious threat to its business operations and financial performance. The pandemic has had a significant impact on the travel and tourism sector, of which Thomas Cook India is a part. Travel restrictions, quarantines, and changes in consumer behaviour have all contributed to a decrease in demand for tour operators. The COVID-19 pandemic not only negatively impacted Thomas Cook India's financial part, but also negatively impacted the company's reputation and brand. Consumer confidence in travel services and the company in particular has decreased as a result of the pandemic-related health and safety concerns. This might have long-term effects on the business, making it more challenging to draw in and keep customers in the future. For instance, the company has had trouble reserving flights, hotels, and other travel-related services as a result of border closures and prohibitions on overseas travel.

The following table 6 will be evaluated using the scale of 1 to 5, where 1 is considered as low threat and 5 is considered high threat

Table 6: List of threats identified with regard to Covid

	Threats identified	Impact (scale1-5)	Probability (Scale 1-5)
i	Governmental Guidelines and Regulations Changes	5	5
ii	Supply-Chain Breakdowns	5	5
iii	A decline in the demand for goods and services	5	5
iv	Financial hazard	5	5
v	Safety and Health Risks	5	4
vi	Threats to Cybersecurity	4	3
vii	Operational Problems	5	5
viii	Cancellation of Reservations	5	5

Source: Own contribution

- **Analysis of Covid threats**

i. Governmental Guidelines and Regulations Changes:

Changes in travel regulations and restrictions imposed by various governments are one of the biggest threats that Thomas Cook India has to deal with. It is challenging for the business to plan and offer services to its clients because these rules and restrictions are subject to sudden and unforeseen change. For instance, a sudden change in quarantine regulations might cause travel plans to be changed or cancelled, costing the business money. Furthermore, Thomas Cook India may be significantly impacted by changes to the laws governing air travel and visas. Air travel restrictions may make it more difficult for the business to offer services for international travel, which could result in lower sales. The number of people who can visit particular locations may be restricted by changes in visa regulations, which may also have an effect on the company's earnings.

ii. Supply-Chain Breakdowns:

The COVID-19 pandemic poses serious risks to Thomas Cook India in terms of supply-chain disruptions. Shortages of travel-related goods and services, along with disruptions in the supply of transportation, lodging, and hospitality services, could have an impact on the company's capacity to serve its clients, leading to cancellations, delays, and higher costs.

iii. A decline in the demand for goods and services

Thomas Cook India faces a number of threats as a result of the COVID-19 pandemic's significant reduction in consumer demand for travel-related products and services. The decline in consumer confidence and travel intentions, the effects of the economy, the shift in consumer preferences toward virtual travel experiences, and lingering regulatory and pandemic-related uncertainty could have a negative impact on the company's earnings.

iv. Financial hazard

The decline in revenue is one of the biggest threats Thomas Cook India faces. The pandemic has reduced consumer demand for travel-related products and services, which has hurt the company's revenue. This might cause financial instability and make it difficult to pay bills like employee salaries and debt obligations. Also, Thomas Cook India's expenses have also gone up as a result of the pandemic. To ensure the safety of both its customers and employees, the business may need to incur additional costs for health and safety measures, such as increased cleaning and sanitation measures. The stability of the company's finances may be further impacted by this.

v. Safety and Health Risks

Thomas Cook India, a travel and tourism company, must put its customers and employees health and safety first while also ensuring that all laws pertaining to the pandemic are followed. Risk of COVID-19 transmission is among the biggest threats Thomas Cook India faces. The business must take all necessary precautions to protect its clients and workers from the virus while they are on the go and at work. These measures may include heightened cleaning and hygienic standards, physical segregation, and the wearing of required masks. The pandemic has also increased the risks for mental health for Thomas Cook India's customers and workers. The company must prioritize mental health support for its employees and offer tools for customers to manage their mental health while traveling as a result of the pandemic's increased stress, anxiety, and unpredictability.

vi. Threats of Cybersecurity:

Companies face greater cybersecurity risks due to the increased use of remote work and digital platforms during the pandemic, such as data breaches, phishing attacks, ransomware attacks, malware attacks, or social engineering attacks to exploit weaknesses in the company's systems. Thomas Cook is not an exception. Thomas Cook India can take precautions to safeguard itself and its clients, including employee training, the implementation of access controls and encryption protocols, routine software updates, cybersecurity audits, and collaboration with cybersecurity companies. By doing this, the business can improve its cybersecurity posture and reduce the likelihood of cyberattacks during the pandemic.

vii. Operational Problems:

Due to widespread travel restrictions and a decline in demand for travel services, the travel industry has been particularly severely impacted by the pandemic. Thomas Cook India consequently has a number of operational issues. The disruption of supply chains is one of the biggest problems. For the provision of their services, travel agencies like Thomas Cook India rely on a sophisticated network of partners and suppliers. This network has been disrupted by the pandemic, and suppliers and partners are now dealing with their own problems like reduced capacity, closures, and other operational issues.

Managing its workforce presents a significant challenge for Thomas Cook India. Maintaining engagement and efficiency can be difficult when many employees work remotely or with fewer hours. In addition, safeguarding the health and safety of workers on-site can be a challenging and ongoing process. Thomas Cook India also has a lot of concerns about managing cash flow and maintaining its financial stability. The pandemic has caused the company to experience decreased revenue and increased costs, making it difficult to maintain financial stability and fulfil obligations to vendors, creditors, and employees. The business can closely coordinate with suppliers to solve these issues, implement flexible work schedules for staff members, and examine its cost structure to look for new revenue sources.

viii. Cancellation of Reservations:

Thomas Cook India's income and satisfaction of customers are seriously at risk as a result of the widespread cancellations of reservations brought on by the COVID-19 pandemic. The company faces difficulties managing the high volume of customer inquiries and complaints, managing the uncertainty surrounding travel restrictions and regulations, and dealing with the financial strain brought on by an increase in cancellations and refunds. The business can use technology to speed up the cancellation process and raise customer satisfaction, as well as proactive customer communication and flexible cancellation policies, to lessen these risks.

4.4.5 Risk Assessment matrix

To compare the categories of probability or likelihood and consequence severity, risk matrix is conducted. Below is the table which enables us to know the assessment from the threats which was identified for exchange rate risk , political risk and risk due to covid. Identified Exchange rate threats is represented by A, B, C, D, E, F, G, H, I, J, K, L, M, N, O. Political risk identification is denoted by a, b, c, d, e, f, g, h, I, j, k and threats of covid is represented by i-1, ii, iii, iv, v, vi, vii, viii.

Table 7: Risk matrix

	1	2	3	4	5
5					**A, j, i-1, ii, iii, iv, vii, viii**
4				**E, a, b, c, d**	**v**
3			**D, N, i**	**B, C, L, M, O g, k, vi**	
2			**G, e, f**	**F, J, K, h**	**H, l, m**
1					**I**

Source: Own contribution

It is more likely that the risk will increase the closer it is to the table's upper right. The area which covers dark red and red represents the highest probability and impact ratio among the identified threats.

In the above identified threats, it is clear that the label of A, j, i-1, ii, iii, iv, v, vii, viii which is in dark red colour and E, a, b, c, d which is in red colour has the highest impact and probability ratio and which represents the greatest threats to the Thomas Cook India which should be looked on a priority. Secondly the light orange colour with label B, C, L, M, H, O, g, k, l, m, vi should be seen and lastly the yellow shaded boxes represented by D, N, G, F, J, K, I, i, e, f, h should be looked and decided whether certain threats can be ignored or any action should be taken.

4.5 Results

After detailed analysis using different methods, here are the results obtained based on the analysis of Thomas Cook India:

1. According to analysis of travel and tourism industry, the United Arab Emirates (UAE), the United States (US), and then Qatar are the top three travel destinations that the people are opting in India. This also suggests that Thomas Cook India's clients have a high interest in visiting these places. It is also mentioned that the COVID-19 pandemic has had an impact on the company's financial performance, resulting in a decline in revenue and profitability. In order to cut costs and streamline operations, the company was forced to close some of its branches. Travel restrictions and the drop in demand for travel during the pandemic are probably to blame for the decline in financial performance. However, there might be chances for the business to recover and reclaim its position in the market.

2. The PESTLE analysis of Thomas Cook India identifies a number of external factors that may have an impact on the profitability and success of businesses operating in this market. These include a stable political climate, economic expansion, a variety of sociocultural norms, technological innovations, an impact on the environment, and governmental rules. To maintain their success and competitiveness, the company must adjust to changes in each category. They must be creative, adhere to rules, champion sustainable practices, put consumer safety first, and keep up with the most recent political developments and legal requirements. Thomas Cook India can maintain their competitive edge and prosper in this developing industry of travel and tourism by doing this.

3. Thomas Cook India has a number of advantages, including a large geographic presence, talented staff, RPA and technological advancement which of these stands out from the rest of the advantages listed. These advantages give the business a competitive edge in the market. Although the company has many strengths, it also has some drawbacks, especially lack of managerial insight, low visibility, and limited financial support for digital platforms and technologies was found as crucial weakness

as it effects the decision-making, innovation, and adaptability of the company. In order to strengthen its performance, Thomas Cook India must address these areas of weakness and concentrate on key opportunities like regional cooperation, tighter government control, and the growing demand for digital and environmentally friendly travel solutions which can increase the customer base of the business and its profitability. Significant threats, such as losing clients, facing rivalry, and product development overtaken by competitors, can arise from failing to take advantage of these opportunities. Also, one of the biggest threat the company faced was due to national crises they and since they had more financial constraints, it led to closure of few branches. The company should look into these and try to find alternatives for that and also the company should try to make investments in cutting-edge technology, enhancing customer service, and creating new products and services that set the business apart from rivals.

4. The interview highlights the political risks brought on by insecurity and changes in policy in the nations in which it conducts business. Thomas Cook India also suffers exchange rate risks as a result of fluctuations in the value of the Indian rupee in relation to other currencies. The corporation manages the risk of exchange rates through a variety of methods, including the use of hedging products, the analysis of changes in exchange rates, and the modification of pricing and operating strategies. In order to lessen the effects of political risk in nations with uncertain political systems, the company also monitors changing political risks through a specialized risk management team and adapts its strategies as necessary. In addition to these risk, the COVID pandemic had a significant negative impact on Thomas Cook India, negatively affecting the company's operations, financial performance, and customer experience. The company has examined its cost structure, looked into new revenue opportunities, and used technology to improve its digital capabilities to address the issue. These efforts include implementing new booking systems, introducing chatbots for customer support, and providing information on safety precautions and travel restrictions. The business has also implemented new protocols and adapted to shifting travel restrictions and regulations in order to ensure the safety of its clients and staff.

5. The identified risks have been assessed and scored based on the risk matrix, taking into account their likelihood and degree of severity. Bribery or corruption from political risk and other risks like decrease in demand for goods and services, supply-chain breakdowns, financial risks, safety and health risks, operational issues, and reservation cancellations from Covid risk stands out among all the other risks which is being the most serious and having the highest score. The organization's reputation and credibility could be negatively impacted by these risks, which could have serious legal and financial repercussions. The next important threat consideration are alternative way to exchange money i.e bank, online or other exchange platforms, change in Government law, increase in interest rate and inflation, decrease in tourism, loss of investment return. However, it is clear that the covid threats, among other two risks, namely, political and exchange rate risk, were the majority of the risks which possess a greater threat to the company. Therefore, the organization must create a thorough risk management strategy that takes into account each of these serious risks and implements steps to lessen their effects. Through such measures, the organization can ensure its long-term sustainability and achievement while minimizing the possible negative effects of these risks.

4.6 Areas of development/recommendation

Based on the information provided in the previous sections, here are some areas of development/recommendations for Thomas Cook India:

1. To remain competitive in the travel sector, it is advised that the company concentrate on innovation and technological advancements. They should also keep an eye on political and economic developments that could have an impact on their bottom line while also adjusting their services to meet the needs of India's expanding middle class. To protect their reputation and the environment, they should also support sustainable practices and follow laws and regulations pertaining to consumer protection, health and safety, and intellectual property. Thomas Cook India can

successfully navigate the external environment and realize their potential for value creation by addressing the factors within each PESTLE category.

2. Thomas Cook India should hire experienced managers to address the weakness of having a lack of managerial insight, invest in market research and data analysis to increase visibility, and think about partnerships and collaborations with technology companies to get around the constraint of financial support for digital platforms and technologies. To take advantage of opportunities and counter threats like competition, customer loss, covid and being overtaken by rivals, it is also advised to focus on improving customer service, developing new products and services, and investing in new technologies. Additionally, investing in digital platforms and environmentally friendly practices is also advised. Adopting these suggestions will assist Thomas Cook India in maintaining its competitiveness, sustaining growth, and thriving in the competitive environment.

3. Thomas Cook India needs to take a number of actions to achieve financial stability. To cut costs and boost profits, the company should first concentrate on cost management and optimization. This could entail automating procedures to boost productivity, renegotiating supplier contracts, and streamlining operations. Furthermore, in order to diversify its income and lessen its reliance on conventional travel services, the company should look into new business models. This might entail providing virtual experiences, working with nearby companies to offer distinctive travel packages, or supporting sustainable tourism programs. Consequently, the business must put a high priority on customer loyalty and retention by providing unique and personalized experiences, enhancing customer support, and utilizing data and analytics to better understand customer preferences and behaviour. Increased repeat business and favourable word-of-mouth recommendations may result from this. In order to enhance its offerings, streamline operations, and maintain a competitive edge over rivals, the company should keep investing in technology and digital platforms. Thomas Cook India can achieve financial stability through these actions, reduce risks, and set itself up for long-term success in the travel and tourism sector.

4. Thomas Cook India should give risk management top priority by allocating resources and making sure that it is incorporated into all key aspects of the company. The company should regularly monitor the political stability and currency exchange rates because these factors can have an impact. This can be achieved by keeping an eye on the news, examining economic data, and speaking with financial institutions and sector specialists. Also, business decisions, such as modifying prices or operations to reduce risks, should be done using the assessments on a regular basis.

5. Thomas Cook India has demonstrated its ability to effectively respond to crises such as the COVID-19 pandemic. However, there is room for improvement in terms of preparedness and agility. The company can consider developing more comprehensive crisis management plans and conducting regular drills to ensure preparedness. Also, the company can focus on training and developing its employees to enhance their skills and knowledge in the rapidly changing travel industry. This can include training on new technologies, customer service, crisis management, and sustainability. Meanwhile, it should consider investing in branding and marketing to enhance its brand identity and appeal to a wider audience. This can include the development of more creative and engaging marketing campaigns, collaborations with influencers, and strategic partnerships with other brands. Furthermore, Thomas Cook India can prioritize gathering and analysing customer feedback to enhance its offerings and improve customer satisfaction. This can include conducting regular surveys, monitoring online reviews and social media feedback, and incorporating customer feedback into product development.

6. Thomas Cook can lower their risk by putting into practice a number of crucial tactics. They can first enhance the way their corporate strategy is carried out across all departments. Better coordination, cooperation, and alignment between departments are required for this, which will aid in their more rapid achievement of their goals. Also, they can stay one step ahead of the competition by introducing innovative products, services, and business practices. Likewise, they can expand their audience and raise brand awareness by using new marketing channels. To further improve their

position in the market, they can look into opportunities for mergers and acquisitions and also partnerships between the public and private. sectors.

7. Thomas Cook India might think about looking into developing a new source of income by providing advisory services for studying abroad. Given the circumstances, a lot of students are thinking about attending a university abroad, and there is a big need for consulting services to guide them in their choices. Thomas Cook India has a well-established solid reputation of offering dependable travel and tourism services, which could be used to its advantage when providing consulting services to students looking to pursue an international education. By providing consulting services, Thomas Cook India was able to expand its customer base, diversify its sources of income, and position itself as a one-stop shop for all travel-related requirements. To improve the overall customer experience, it might also think about collaborating with reputable educational institutions and offering value-added services like visa help, travel planning, and lodging reservations. Thomas Cook India could capitalize on the rising demand for overseas education consulting services and position itself as a go-to resource for students looking to study overseas with the right plan and resources.

Conclusion

The goal of the master thesis was to give an overview of risk management and its significance in the business world by identifying and evaluating the specific risk of exchange rate, political and COVID risks using different techniques or methods. An important component of conducting business is risk management. The businesses face a variety of risks that harm their ability to operate effectively and safely in an ever-changing business environment. While some risks can be anticipated and planned for, others may catch the company off guard. Therefore, for businesses to achieve their strategic goals, safeguard their financial performance and reputation, and ensure long-term sustainability in today's business environment, risk management is essential.

In order to achieve the goal and understand the risk in the business, the author has introduced various concepts and types of risk. Additionally, the risk management process and various kinds of methods and techniques of identifying such as experts' interview, brainstorming, Delphi technique, SWOT analysis, PESTLE analysis and others have been introduced to the readers, with a view to gain an understanding on the concepts of risk and its management which could be helpful to mitigate the risks involved in the business.

However, in the practical portion of the thesis, for the chosen company, a detailed analysis of risk using different methods were used in order to identify the potential risk in the company and analyse the risk and the mitigation strategy. Since the selected company, namely Thomas Cook India, a travel and tourism industry, which is a UK based company, operating in India, the company has faced a lot of challenges like competition, cultural differences, COVID and so on, which made it hard for the company to survive in the market. However, through analysis of the company profile, one can see that the main company of Thomas Cook in British got bankrupted due to financial crises. Nevertheless, Thomas Cook India had a smooth operation as it was acquired by Fairfax Financial Holdings Limited in the year 2012.

After analysing the profile of the company, in order to know the macro-economic, internal and external factors of Thomas Cook India, PESTLE and SWOT analysis was conducted. According to the results of these analysis, the business needs to be flexible, creative, and compliant with laws in order to remain successful and competitive in the travel and tourism sector. Despite this, Thomas Cook India should also try to navigate the external factors and continue to thrive in the market by placing a high priority on sustainability, consumer safety, and keeping up with the most recent advancements. Likewise, Thomas Cook India has a number of benefits, including a broad geographic reach, and cutting-edge technology. To remain competitive, the business must address its shortcomings and achieve a good managerial insight, visibility, and have a financial backing for digital platforms and technologies. Also, it shows that the company can capitalize on opportunities such as regional cooperation, and the growing demand for digital and environmentally friendly travel solutions to stay ahead of rivals and stay profitable.

Moreover, as it is a tourism company, it is exposed to deal with things like unpredictable political situations, covid risk, changing currency values and legal problems. The long-term viability, reputation, and financial performance of the company may all be significantly impacted by these risks. Also, it is evident that the company can go bankrupt in few years if they do not try to implement changes when necessary. In order to reduce these risks and guarantee business continuity, the author has implemented few risk management techniques in order to identify potential risks, assessing their potential effects, and developing effective management strategies which are all the components of effective risk management.

Keeping in view the external factors which could be potential threat to the company, the author focused on specific risk of exchange rate, political and COVID risks because they are significant external factors that can impact the company's financial performance and overall operations. To understand these risk, the interview was conducted. The manager of Thomas Cook India, who was initially interviewed, emphasized the risks associated with political unpredictability, fluctuating currency values, and the COVID pandemic. However, the business controls these risks using a specialized risk management team, hedging, research, pricing schemes, and advancements in digital capabilities. To further ensure the security of customers and employees, it has implemented safety protocols and adjusted to changing travel restrictions. Furthermore, in the next method, the identification of risk for these specific risks was done and were assessed and scored based on qualitative method of risk matrix, with bribery or corruption from political risk and supply-chain breakdowns, financial risks, safety and health risks, operational issues, decrease in demand for goods and services, and reservation cancellations from covid risk being the most serious threats. These risks may have significant legal and financial repercussions as well as a negative impact on the organization's credibility and reputation. The results based on the analysis of different methods and keeping in view the company profile show that, when compared to other risks like exchange rate and political risks, the COVID-19 pandemic has posed serious difficulties for the business and caused a decline in revenue and profitability which led the business to close some of its branches as part of its efforts to reduce expenses and streamline operations.

Furthermore, based on the results of the identification, analysis and assessment, few suggestions for Thomas Cook India were given to remain competitive and achieve financial stability in the travel sector. These include investing in innovation and technology, focusing on customer service, developing new products and services, adopting sustainable practices, and diversifying income through new business models. The company should also prioritize risk management by monitoring political stability and currency exchange rates, developing crisis management plans, and investing in employee training. Also, the author suggest that Thomas Cook India can expand its customer base and income sources by providing advisory services for studying abroad and collaborating with reputable educational institutions.

However, by concentrating on the company's primary areas of weakness and opportunities, and try to focus on results and recommendations, there are chances for it to bounce back and regain its position in the market. Likewise, the findings alert supervisors to the significance of handling every possible threat that the company may encounter in the field of exchange rate, political and covid risks. The findings also demonstrate that increasing investment in the area of risk management would raise business efficiency levels, maintain profitability, and boost major investors' confidence in the business as a place to put their money. Therefore, it is important for businesses to build their reputations, and increase their chances of success by putting strong risk management strategies into practice.

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