**Risk Analysis**

Risk analysis is described as a process of analyzing and identifying possible issues that can affect business projects or initiatives negatively (Aven 2018). Risk analysis is done to help organizations in mitigating or avoiding risks. Organizations and enterprises perform a risk analysis to reduce and anticipate the impact of harmful outcomes from adverse happenings and estimate whether the possible risks of a plan are balanced well with its benefits to help in decision-making when assessing whether to continue with the project or not. Also, risk analysis helps identify the effects and prepare for the variations in the organization's environment, such as the possibility of new competitors' entrants in the market or government interventions and changes in regulatory policies. Lastly, if risk Analysis is done well, it can act as an essential tool in managing costs related to the risks and helps the organization in the decision-making process.

Assuming my company multinational corporation, the possible cultural risks that can affect its operation includes; failing to adjust to global business operations to the local market. The culture immensely influences their behaviors and attitudes. When a company enters a new market, the corporate processes should be altered to match the local behaviors, customs, and likings (Quer, Claver & Rienda, 2017). For instance, modifications should be applied to the services and product offerings, marketing, and pricing. If local cultures and customs drive business operations, there is a high possibility that external businesses experience an increased peril of failure. The charges related to these failures in an external market are substantial. Usually, global vendors fascinate many losses before closing down or selling their businesses to a local entrant.

Another cultural risk is failing to identify the sub-cultural and regional differences. Cultural barriers are relevant intranational as multinational, and thus within the evolving corporates, there are noteworthy provincial changes in customer test and preferences and market circumstances. Cultures are not restricted to ethnic or regional differences. For instance, when we contemplate various consumer profiles of females and males in the US, females make up about 88% of retail purchases. Marketing advertisements regularly oversee differences in female and male consumer thinking and behavior (Quer *et al*., 2017). However, consumer preferences and habits differ across the ethnics, generational, occupational, and ethnic groups. Companies that do not recognize a cultural variety of their markets perils miss critical consumer segments.

Companies failing to recognize local business operations and adapting to management practices across various cultures is another risk that faces multinational companies. Cultural risks affect the customer's interface and the businesses that need a deep understanding of local business cultures (Quer *et al*.,2017). However, most of the management models, theories, and operations are burdened with culture-precise assumptions. Thus no organization theory is shared, and cultural assumptions fundamental to management operations are regularly unacknowledged. Ideas are relocated to other cultural contexts without putting into consideration the cultural differences.

After evaluating the company's specific cultural risks globally, managing those risks, the company needs to assess the current culture. In case there is no formal culture, many consumers have the same risk preferences and attitudes. Some company segments may have a robust and settled culture, while others may present susceptibilities that necessary to be fixed. Determining the effect of the current culture on the organization's accomplishments and activities is essential in managing its risks.

Another way to manage the aforementioned cultural risks facing multinational companies is by prioritizing risk management. Board and executive members should ensure that risk management strategies are prioritized. Top executives should lead by example to ensure others follow. They should put 8nto consideration the various cultures of different people in different countries to ensure that they offer goods and services that meet the various needs and wants of the targeted consumers. Moreover, to manage those various risks due to cultural diversity may be generational, gender, ethnic, sexual orientation, and many others, employee cultural intelligence may help convert business peril into a strategic strength or opportunity for building the company. Corporations with workers and leaders who have embraced high cultural intellect are more alert. They can quickly acclimatize products, services, and processes to seizure new business opportunities and respond to variations across various markets. The program is applicable across multiple business environments and, if adopted well, can aid in handling the associated risks.

**References**

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