Knowledge
Economy
Society

13th International Scientific Conference
of the College of Management and Quality Sciences

Contemporary risks in enterprises and local government units

Edited by
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The COVID-19 pandemic has brought profound changes in the way businesses and organizations operate. This unexpected situation also affected the world of science. However, it did not stop the organizers of the 13th International Scientific Conference of the College of Management and Quality Sciences at the University of Economics in Krakow from hosting one of the great student events via online communication platforms. As the COVID-19 pandemic strongly accelerated the digitization of not only Polish, but also world education, the university community has been ushered into a new era of out-of-the-box thinking and creative problem-solving in the context of online education.

Due to health and safety restrictions, on-site conferences and scientific events have been transferred to the virtual space from March 2020. In this new reality, scientific conferences remain important milestones on the way to creating scientific networks, transferring knowledge and, as a result, scientific progress and building individual careers. For fledgling scientists, conferences are an excellent forum for establishing first contacts, both with peers and experts in their field. As a form of communication, the poster often becomes the first tool students use to prompt their scientific activity.

Scientific work, its importance, and ethos should be promoted among students from the very start of the education process. Awakening scientific inquisitiveness early on could pay off in the student’s future academic and professional career. This inquisitiveness should then be supported with a successively expanded range of research tools that facilitate access to scientific information, as well as the possibility of presenting and confronting one’s considerations. One of the first of such tools can be the poster session. The main purpose of the poster is to present the issues that the author researches, the results, and the proposed directions of own research. The poster is also to allow direct contact with the audience, and to establish new scientific contacts.

The 13th International Conference of the College of Management and Quality Sciences of the Cracow University of Economics – CMQ 2021 was opened by a virtual student poster session. This year, the theme was: Contemporary risks in enterprises and local government units. Out of 67 submitted posters, the Scientific Committee of the CMQ2021 Conference selected 62, which were posted on the university’s Moodle platform, with free access for all interested audiences. The Poster Commission then selected 9 posters, and their authors were invited to publicly present their works during a virtual session on the Zoom platform, on May 31, 2021.

The presented posters discussed research problems related to risk management, both from the perspective of business and local government. During the discussion, attention was drawn to well-thought-out and mature conclusions, often supported by the students’ practical experiences, which definitely increased the value of the prepared presentations.
The session gathered over 90 participants: students and researchers of the University of Economics in Krakow, as well as business practitioners, representatives of the business environment institutions, Krakow academics, as well as representatives of foreign research centers. The participants appreciated the professionalism of posters and the answers provided by students, supported by the knowledge of industry literature, foreign papers, and public statistics.

In the summary of the session, both the Dean of the College of Management and Quality Sciences, Prof. Bernard Ziębicki, and the Chairman of the Organizing Committee of the CMQ 2021 Conference, Prof. Janusz Nesterak pointed to the topicality of the discussed issues, as well as the remarkably high level of presentation. They also emphasized the visible passion of young people concerning the subjects undertaken during the conference, so valuable for scientists.

The publication would not be possible without its numerous supporters. We would like to thank the Chairman of the Organizing Committee of the 13th International Scientific Conference of the College of Management and Quality Sciences of the Cracow University of Economics, Prof. Janusz Nesterak, Dean of the College of Management and Quality Sciences, Prof. Bernard Ziębicki, Prof. Agata Niemczyk and Dr. Zofia Gródek-Szostak.

This publication is a collection of posters selected and approved by the Scientific Committee of the CMQ2021 Conference and the student session coordinators. The editors of the monograph hope that it will become an inspiration for further scientific development of the young generation of students.

Janusz Nesterak
Agata Niemczyk
Zofia Gródek-Szostak
The catering industry is closely related to the tourism industry as it meets the most important needs e.g. physiological. Additionally, it has a significant role due to satisfying other needs, such as learning about new cultures or gaining experience (Czarniecka-Skubina, Głuchowski, 2018). This is consistent with the definition of J. Salau about gastronomy: “it is an organized economic activity, which consists in satisfying the nutritional needs of consumers” (Salau, 2004). According to other researchers, gastronomy is observed more and more nowadays, e.g. Czarniecka-Skubina emphasizes that apart from basic functions, others are added, e.g. home delivery or take-out (Czarniecka-Skubina, 2008). Moreover, for today’s tourists, the tasted gastronomic offer is not only an addition to the trip, but an essential part of it (Dziadziuszko, 2014). As a result, gastronomy is one of the most important elements of tourism development (Milowski, Pogoda, Siaszk, 2014).

The purpose of the presentation is showcasing changes in consumer behaviour of tourists considering COVID-19 pandemic. The research covers the years 2015-2020 in the catering industry in Cracow. The project focused on consumers which is showcased in statistics below. Additionally, the perspective of catering industry owners has been briefly presented.

Tourists’ consumer behaviour in Cracow’s catering industry before and during COVID-19 (2019-2020)

The research was conducted in Kraków in April 2021 in the group of 85 people that visited Cracow in 2019 and 2020.

- Mostly woman (58%)
- Average age: up to 25 years (48.8%)
- Financial situation - average (50.6%) or good (36.2%)
- Secondary (40.4%) and higher (47%) education
- Tourists from large cities over 500,000 inhabitants (31.3%) and cities up to 100,000 (34.9%)
- Mostly students (61.5%)
- Over 3/4 of the respondents give up on catering services due to the pandemic in 2020

5% of respondents consumed on the spot
4% of respondents prefer to take away or order with delivery

Change in consumer behaviour and impressions in 2020 and 2019

- Only 6% of respondents definitely used a similar number of gastronomic services in 2020 and 2019.
- Some (27.7%) estimate that this number was similar. However, industry articles show that mentioned restrictions while using catering services during the pandemic (62.7%), but a significant proportion (31.3%) decreases it was a much smaller number.
- More than half of the respondents (51.8%) felt in 2020 as in 2019 while staying at a restaurant. Only 19.3% of respondents visited a similar number of restaurants.
- Most of the respondents complain that they complied with the restrictions while using catering services during the pandemic (62.7%), but a significant proportion (31.3%) admitted that they did not comply with the applicable sanitary and hygiene regulations of the respondents preferred to visit.

Over 40% of the respondents recommend technological facilities to place an order

Which form of order are most often used by the respondents?

- 45% order food over the phone
- 39% places orders via the application, e.g. Pyszne.pl, Glovo
- 25% order the restaurant’s website

Most of the respondents claim that it was a much smaller number.

Have not changed
- 24.2%
- 18.1% Definitely decreased

5% of respondents consumed on the spot
5% of respondents consumed on the spot
44% of respondents in group to 5 people
13% of respondents in group more than 5 people
9% of respondents: exploring new cuisine or culture
6% of respondents: meeting social needs
5% of respondents: exploring new cuisine or culture
4% of respondents: meeting social needs
3% of respondents: trying new foods
1% of respondents: purchasing food for delivery

Owners claim that nearly 100% of clients following the recommendations of the PN, Poland, and other nations with a more severe recommendation of the pandemic (71.2%) decreased by 30-40% and over 80% declared that they go to restaurants less often (verified by the Gastronomic market in Poland report).

None of the examined restaurants established cooperations with Pyszme.pl, Glovo, Uber Eats, etc. because of the pandemic. Moreover, they chose not to introduce new technological amenities (self-service checkouts, ordering machines, etc.). However, industry articles show that mentioned applications have started working with a significant number of restaurants during the pandemic and therefore, it is impossible to answer this question. For example, the number of premises using Uber Eats increased by 106% in just 3 months (Szymczyk, 2021).

The number of domestic visitors dropped by 34%
30 000 000
20 000 000
10 000 000
The number of foreign tourists decreased by 72%

Most people pay attention to the possibility of free delivery, which can be associated with the form of consumption that was popular in 2020 - delivery.

Operations of the Old Town in May 2020 (Groczywicz M., 2020)
- open (28.5%)
- closed (71.2%)
- renovation (2.2%)

Tourists’ consumer behaviour in Cracow’s catering industry before and during COVID-19 (2019-2020)

P. Leniartek, D. Makso, O. Więcek

Comparison of 2019 and 2020

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Cybersecurity is a never-ending battle. A permanently decisive solution to the problem will not be found in the foreseeable future. While the first and most crucial aspect of an epidemic is, and will always remain, the loss of human life, the spread of a virus can also have important repercussions for national or regional economies. The total value of losses incurred by a severe global influenza pandemic could reach about USD 500 billion per year, i.e. about 0.6% of global income. Disasters reflect businesses’ vulnerability or their susceptibility to be affected when confronted with potentially harmful natural phenomena. To reduce the risk of disaster they should display a large array of knowledge, skills and resources.

A. Stańczak, 2014, Ryzyka prowadzenia działalności gospodarczej w Polsce ze szczególnym uwzględnieniem sektora małych i średnich przedsiębiorstw, Warszawa

Public Safety, 2014, Canada

McAfee, The Economic Impact of Cybercrime - No Slowing Down, 2018

Environmental risks: cyber security and critical industries, 2020

https://www.mbank.pl

Conclusions

Natural disasters are catastrophic events that result from processes that occur without human intervention. These adverse events include avalanches, landslides, earthquakes, and volcanic eruptions. Natural disasters have a significant impact on the economy and the businesses in more ways than one.

Cybersecurity is a never-ending battle. A permanently decisive solution to the problem will not be found in the foreseeable future. While the first and most crucial aspect of an epidemic is, and will always remain, the loss of human life, the spread of a virus can also have important repercussions for national or regional economies. The total value of losses incurred by a severe global influenza pandemic could reach about USD 500 billion per year, i.e. about 0.6% of global income. Disasters reflect businesses’ vulnerability or their susceptibility to be affected when confronted with potentially harmful natural phenomena. To reduce the risk of disaster they should display a large array of knowledge, skills and resources.
Company risk and its components on the example of company Nikon Corporation: operational risk, regulatory risk, marketing risk, financial risk and also, strategic risk.

The purpose of this poster is to explain the company risk and all the components that it contains - everything that managers need to consider when making decisions.

The main definition of company risk is - the risk that certain factors (internal/external) will affect a company. This includes changes in its offer or on the market that could negatively impact its situation. There are many types of specific risks that could affect the potential profitability and the solvency of a company. In the case of the Nikon Corporation, founded in 1917, which produces cameras and optical devices, the development of cameras in smartphones is a big threat - compared to previous years, the company decided to go into more specialized industry - producing devices for photographers and people who specialize in this area.

1. **FINANCIAL RISK**
   The company could face risks arising from, for example, sources of third-party capital financing - negative changes in interest rates or also over-reliance on a few key customers - that could result in a loss of liquidity.

2. **OPERATIONAL RISK**
   These are any unforeseen events that could cause, for example, production to cease and orders to be unable to be fulfilled, or failure to meet security standards due to the fault of production employees.

3. **MARKETING RISK**
   Company must be careful when it comes to PR risks to its reputation, especially in social media - one disgruntled influencer can cause a marketing disaster and the videos can become viral. Also CSR actions should be considered - it is well perceived and the company should implement it on a wider scale.

4. **STRATEGIC RISK**
   Recently, the camera market may be under severe threat due to the limited scope for development and the increasing popularity of mobile phone cameras - a solid plan is needed here to prevent stagnation.

5. **REGULATORY RISK**
   The law constantly changing or adapting product quality to standards can be extremely costly. In addition, the company can face potential lawsuits from customers, suppliers and competitors.

References:

Company risk explained
U. Bochenek
Contemporary dimensions of risk on the example of the catering industry and ways to reduce it

The concept of risk should be understood as the possibility of occurrence of events, both positive and negative, that may affect the achievement of the intended goals. Risk is identified with the object or subject under protection, it is specific and presents the nature of contemporary processes taking place both inside the enterprise and local government unit, in their environment and relations with entities occurring in it.

Examples:

Potential risks for the industry include:
- worsening of the economic situation,
- the introduction of a ban on Sunday trading,
- unfavourable for gastronomy located in shopping malls,
- an increase from 5% to 8% of the VAT rate on sale of take-away meals,
- ignorance of the market and the industry,
- Spending all restaurant profit for private purposes,
- No advertising campaign or promotion for customers in the restaurant,
- Wrong definition of the target group for your restaurant

Ways to avoid

Willingness and initiative are often not enough to create a fully profitable enterprise. We must be fully aware of the opportunities and threats that we may encounter on our way. Some of the most important aspects we should think about before we take off include:

- legal issues related to the rental of premises,
- contracts for employees or contractors, restaurant equipment,
- i.e. what we can save on and what we should invest heavily in,
- software: stationary or modern,
- mobile POS system for a tablet,
- staff; remuneration and recruitment,
- cost management,
- commodity and valuation of products in stock,
- technologies that allow you to earn more

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Corporate Social Responsibility in Risk Management

R. Cieślik

Corporate Social Responsibility (CSR) with its principles, way of implementation and example based on risk management and application CSR in Walmart Supercenters.

What is Corporate Social Responsibility (CSR)?

Corporate social responsibility is primarily responsible for influencing society. Its main goal is to maximize the positive impact and minimize the negative one. According to the definition provided by the International Organization for Standardization (ISO 26000), social responsibility is understood as responsibility for the impact of decisions and actions on the society and the environment, ensured by transparent and ethical behavior:
- contributes to sustainable development;
- takes into account the expectation of stakeholders;
- is integrated with the activities of the organization and practiced in its relations.

CSR is often an instrument aimed at improving the aggravated image of an organization or extending its marketing activities. However, an important process influenced by CSR is risk management, which consists of identifying the relevant risks, determining their impact, and assessing potential consequences. Integrating issues with the management system may be difficult for these enterprises who believe that CSR is only for image building. Therefore, the company should firstly pay attention to its stakeholders because it is their expectations and needs that it tries to meet. As a result, they will understand their relationship better and can create more informed and effective policy of social responsibility.

RELATIONS SUSTAINABLE DEVELOPMENT CSR ETHICS LAW STAKEHOLDERS

The purpose of this poster is to explain the Corporate Social Responsibility, its principles and relation to risk management.

CSR in Risk Management

Risk is associated with each company’s activity and is defined as the probability of negative effects or events occurring. The management processes are so complex that simply reducing risk to economic categories is not enough, and social risk plays an important role. The associated reputational risk is particularly close to social responsibility. That is why companies decide to implement CSR principles to improve their image and reputation, based on expectations and needs of various groups of stakeholders. The answer to these threats may be the implementation of CSR principles in the enterprise.

Enterprise risk management is a process conducted by board members, directors, and others to identify potential risk to the organization and apply strategies to mitigate them. Risk management involves several activities:
- risk identification;
- creating a list of potential problems;
- assigning scales to the identified risks;
- developing a risk management program;
- evaluating and monitoring of undertaken activities.

Risk management related to CSR can be understood as a strategy, policy, and processes considering potential ethical, social, and environmental factors. CSR risk management can be most effectively implemented in the risk management process, as long as it already exists in the company. This should minimize the probability of the risk occurring and will send a positive signal to all stakeholders. The key areas of social responsibility proposed in the ISO 26000 guide can be used to identify social risk. These include:
- organizational governance;
- human rights;
- fair operating practices;
- labor practices;
- environmental;…

Walmart Supercenters has a full offering of groceries and general merchandise in a single store. It was founded in 1962, with the opening of the first Walmart discount store in Rogers, Arkansas (US), and now one of the world’s largest retailers. Walmart’s commitment to education, health, and commitments to fighting hunger, supported local farmers and access to healthier and affordable food. In 1999, Walmart faced two social responsibility conflicts, allegations of discrimination against female employees in terms of pay and promotion as well as allegations of using child labor in two factories in Bangladesh. After these scandals, in 2006, Walmart’s set up Report on Ethical Sourcing, which includes suppliers, customers and associations. The first one reported that Walmart had stopped doing business with 141 factories, primarily because of underage labor violations. The report also contains a chart with the main violations found during the audits. Since then Walmart publishes this report annually.

REFERENCES
Social responsibility has become a natural part of economic activity. Each organization, including a public institution, deciding to make an effort to develop, implement and practice a CSR strategy must consider the list of risks and assess their impact on employees, product or service, management, and its internal and external environment.

### Taking a new initiative in the CSR

**Lafarge Group** is a manufacturer of building materials. Due to the nature of the Group, it has made itself a top priority for the safety and security of both their employees and subcontractors, i.e., companies that provide services to Lafarge. The objective pursued is the absence of accidents both for employees and cooperating companies.

#### Risks and barriers to implementation

Social risks resulting from unpredictable reactions of employees, as well as the risk of lack of understanding and difficulty in breaking down stereotypes. The biggest barrier during the implementation of the program was the resistance of people, their habits so far. The implementation problem also concerned the translation of the new standards into actions undertaken by subcontracted companies.

### Taking a new initiative in the CSR

**Deloitte Polska** is an advisory company providing professional services in the areas of audit, tax advisory, consulting, strategic and technological consulting, risk management and financial advice. The aim of the initiative is to increase the participation of women in managerial positions, equal opportunities for both genders in access to professional development, promotions and salaries. The initiative also resulted in promoting Deloitte’s image as a socially responsible company. Additionally, it helps in retaining existing female employees in the company, for example those who decide to become mothers.

#### Risks and barriers to implementation

Employment risks in equality, diversity and human rights policies. A barrier to Deloitte during the implementation of the initiative was the widespread stereotypical perception of social roles attributed to women and men.

### Taking a new initiative in the CSR

**The brewery in Elblag** belonging to the Żywiec Group, has taken the initiative to regulate the management of waste produced in the brewery, in accordance with the ecological policy of the state and the Group. The main objective of the programme is to reduce the storage costs of non-segregated waste.

#### Risks and barriers to implementation

Supply chain risks resulting from the need for all co-operators to adapt to CSR requirements. The biggest barrier to the implementation of the program was the market turmoil from waste recipients. There was no interest in receiving packaging waste, and paper mills stopped buying waste paper and printed paper. Consequently, the waste paper was collected without payment by the consignee.

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- Hopkins M. (2014), *What is CSR all about?*, pp. 2-5
Cryptocurrency – Big Deal or Big Risk

What are cryptocurrencies?
Cryptocurrency is a digital asset designed to work as a store of value and a medium of exchange. As of February 28th, 2018, the total market capitalization of the cryptocurrency market stood at $448 billion and consists of 1,524 types of currencies. Amongst the many controversies surrounding cryptocurrencies, a popular topic of debate is whether it should be classified as a commodity, investment, property, currency or digital currency. Bitcoin puts cryptocurrencies center stage in the popular press and with the recent pull back in early 2018, the interest in Bitcoins in particular continues to hold. Bitcoins started 2017 at $998.33 and grew 14x to finish the year at $14,156.40, as is shown in Figure 1. As of February 28th, the price was $10,559.20. Bitcoin, the first successful cryptocurrency, was created in January 2009, in the aftermath of the financial crisis of 2008, by an unknown person or a group of people under the Japanese name of Satoshi. Figure 1: Bitcoin price from Jan 1, 2017 to Feb 18, 2018 (Nakamoto. Bitcoin utilizes a technology called blockchain, which is a combination of cryptography, consensus algorithms, economic incentives and distributed ledger to secure its transactions.

What is blockchain?
Blockchain seems complicated, and it definitely can be, but its core concept is really quite simple. A blockchain is a type of database. To be able to understand blockchain, it helps to first understand what a database actually is. Figure 2. A database is a collection of information that is stored electronically on a computer system. Information, or data, in databases is typically structured in table format to allow for easier searching and filtering for specific information. What is the difference between someone using a spreadsheet to store information rather than a database? Spreadsheets are designed for one person, or a small group of people, to store and access limited amounts of information. In contrast, a database is designed to house significantly larger amounts of information that can be accessed, filtered, and manipulated quickly and easily by any number of users at once. Large databases achieve this by housing data on servers that are made of powerful computers. These servers can sometimes be built using hundreds or thousands of computers in order to have the computational power and storage capacity necessary for many users to access the database simultaneously. While a spreadsheet or database may be accessible to any number of people, it is often owned by a business and managed by an appointed individual that has complete control over how it works and the data within it.

Which cryptocurrency to choose?
The vast majority of cryptocurrencies increased their value by 10%, 100% and even several thousand percent during the year. But not all of them, an example of a currency that constantly wobbles in its market price is “Dar”. An exemplary currency strongly correlated with its bigger brother Ethereum daily fluctuates by a few percentage points from the very beginning. It is not a stable currency and, as time shows, it cannot be called a good investment either. An example of a currency that is a rather stable investment is the cardano currency, the so-called green cryptocurrency. Why green? Because it is the only one that produces a very small carbon footprint. By comparison, bitcoin produces a carbon footprint equal to that of some countries. It can also be safely assumed that the cardano price will increase significantly from year to year due to the ecological approach of its creators as well as the high competitiveness of the largest currencies such as bitcoin and ethereum.

Factors influencing the price.
The currency of the future, because this is how cryptocurrencies are defined, have their business patrons, and more precisely, businessmen whose companies actively use this technology. An example of such a person is Elon Musk. Founder of companies such as Tesla, SpaceX. A visionary of this format, with one tweet, can completely collapse the market for at least a few days, which is associated with huge losses for investors. An example of such a situation is the relatively new decision of Tesla’s CEO. The businessman in his expose suspended the possibility of buying Tesla cars using the bitcoin cryptocurrency.

As he claims, bitcoin is not ecological and using it for sales in his company damages its ecological image. This decision resulted in millions of dollars in losses on all bitcoin-related currencies in minutes. We are talking about a 10% decline in the entire market on the coinbase platform, which for 2021 is one of the largest cryptocurrency markets. Bitcoin itself lost as much as 15.58% during the week, which is the equivalent of around 10,000 Euro.

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INTRODUCTION

In an open economy, the exchange rate is an important economic parameter for any business. Changes in foreign exchange rates can significantly affect a company's competitive position and, therefore, its property, financial and operating profitability.

What is foreign exchange risk?

Foreign exchange risk refers to the losses that an international financial transaction may incur due to currency fluctuations. Also known as currency risk, FX risk and exchange-rate risk, it describes the possibility that an investment's value may decrease due to changes in the relative value of the involved currencies.

How does currency risk affect a business?

- Translation risk - Results from changes in the value of a company's balance sheet items, between reporting periods, when translated into the currency in which the company operates.
- Economic risk - Relates to the degree of a company's sensitivity to future changes in exchange rates and its position relative to international competition.
- Transaction risk - Refers to the adverse effect that foreign exchange rate fluctuations can have on a completed transaction prior to settlement.

Three Strategies to Mitigate Currency Risk

- Forward Contract - the parties to the transaction agree to buy/sell a specific amount of a currency at a predetermined future date at a predetermined rate.
- Currency option - one party to the transaction, for a specific remuneration, acquires the right to purchase/sell a specific amount of currency in the future to the other party to the transaction at a predetermined rate.
- Currency swap - is a transaction between two entities, involving the exchange of financial streams in two separate currencies, whose value and terms are predetermined.

SURVEY RESEARCH

In 2003 a survey was conducted by UTM IG and the UTM Chair of Banking and Finance in Rzeszow. More than two-thirds of companies see a threat to their business from changing exchange rates. Almost 43% of the enterprises surveyed definitely perceive that they are exposed to foreign exchange risk and one in four perceives such a risk, but the magnitude of the risk is lower. Only one in three companies has no problems with currency risk.

The influence of exchange rates on the financial result in an enterprise

Currency exchange rates have a clear impact on the financial results of more than half of the companies surveyed. It is clear that Polish companies are open to foreign exchange and operate in an international environment. Only 15 percent of enterprises in which the exchange rate does not affect the financial result.

CONCLUSION

Due to the increasing risk of approx. half of the enterprises make decisions on limiting the exchange rate risk within the company. Companies often also use external assistance - most often these are bank advice. Advisory companies specializing in hedging against exchange rate risk have only been operating on the Polish market for several years - despite this, the research of the Institute of Economy shows that already every fifth Polish company uses their services.

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Currency risk in the enterprises
A. Górka, A. Jarosz, M. Hyjek
Currency risk management in enterprise

K. Kus, S. Kostin

THE AIM OF RESEARCH
1. Identify the most important sources of financial risk in the global enterprises
2. Analyze the most frequently used instruments and methods for risk management

RISK
Risk can be defined as the chance of loss or an unfavorable outcome associated with an action. Uncertainty is not knowing what will happen in the future. The greater the uncertainty, the greater the risk. For an individual enterprise, risk management involves minimizing expected returns subject to the risks involved and risk tolerance.

CURRENCY RISK
Managing exchange rate risk exposure has gained prominence in the last decade. Management of exchange rate risk is important for reducing a firm's vulnerabilities from major exchange rate movements, which could adversely affect profit margins and the value of assets. After Measuring and managing exchange rate risk exposure, a firm needs to decide whether to hedge or not to hedge. A firm with significant exposure need to establish an operational framework of best practices.

HOW PROTECT
The external hedging instruments are used for hedging and protect the firm’s cash flow against exchange rate risk. The external hedging instruments are enormous, both in variety and complexity, and have followed the dramatic increase in the specific hedging needs of the modern firm. The common external instruments are currency forwards, currency futures, currency options, currency swaps and contracts for difference.

ISO 31000
The ISO 31000 risk management process is a standard providing different principles and guidelines to companies for creating an effective risk management process. It takes a generic approach to risk management so that it can be applied to different types of risk within the company. This framework can be used by organizations in any industry. The ISO Risk Management Framework includes the following steps:
- Identification of all risks that could prevent the company from achieving its business objectives
- Analysis of risk which helps organizations understand the different causes of risks and the impact of the risks
- Evaluation of risks, where the risk analysis is compared with criteria of risk to understand whether or not the risks are tolerable
- Treatment of risks, where risks are mitigated to change the level of impact and the likelihood of the risks taking place
- Establishing controls, where all internal and external elements of risks are considered to define the scope of the company's risk management process

FOREIGN EXCHANGE RISK
Foreign exchange risk is the risk that the value of liabilities and receivables denominated in foreign currencies fluctuates unfavorable to the national currency. Currency risk arises from the nature of a currency market that is continuously fluctuating. Exchange rates depend on many factors:
- economic: interest rates, inflation, balance of payments, monetary policy, GDP
- political: exchange rate regimes, legal permanence, politics fiscal

MODELS USED TO MANAGE OF CURRENCY RISK

COSO FRAMEWORK
The original COSO framework was developed in 1992, with the most recent version published in 2013. According to COSO, internal control:
- Focuses on achieving objectives in operations, reporting and/or compliance
- Is an ongoing process
- Depends on people’s actions, not merely written policies and procedures
- Promotes a sense of corporate responsibility
- Can be adapted to the needs of the whole organization as well as each department, unit or process

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TYPES OF FOREIGN EXCHANGE RISK
Transaction risk: This is the risk that a company faces when it's buying a product from a company located in another country. The price of the product will be denominated in the selling company's currency. If the selling company's currency were to appreciate versus the buying company's currency then the company doing the buying will have to make a larger payment in its base currency to meet the contracted price

Translation risk: A parent company owning a subsidiary in another country could face losses when the subsidiary's financial statements, which will be denominated in that country's currency, have to be translated back to the parent company's currency

Economic risk: Also called forecast risk, refers to when a company's market value is continuously impacted by an unavoidable exposure to currency fluctuations.
Attacks on IT systems, telecommunications and production are no longer of interest only to information technology and security professionals. Their consequences are felt by company boards and other stakeholders. Awareness and concern about security incidents and threats has become top of mind among consumers as well.

Cybersecurity is now a persistent business risk

Stock exchanges also have become routine targets. Study of 46 world exchanges carried out by the International Organization of the Securities Commission and Worldwide The Federation of Exchanges showed that more than half of them (53%) were victims of cyberattacks. Warsaw Stock Exchange was also a subject of attacks.

While risk has become universal, PwC’s 2014 Global Economic Crime Survey found that financial losses from security incidents depend on the organizational size. Large companies tend to have the processes and technologies in place to actively monitor security intelligence.

A recent study by the Center for Strategic and International Studies estimated that the annual cost of cybercrime to the global economy ranges from $375 billion to $575 billion. While the amount is high, it is even approximately less than the losses that can arise from the theft of trade secrets and intellectual property.

Using data from the World Bank, which estimates annual global GDP for 2013 at $74.9 trillion, trade secret losses can range from $749 billion to as much as $2.2 trillion per year.

Conclusions: Many organizations struggle to understand how much to spend on security and how to determine the return on investments of their security outlay. That is because there is no definitive data on current security risks to help inform a security spending strategy. For companies it should be critical to focus on rapid detection of security intrusions and an effective, timely response.

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**Economic risk in gastronomy**

**Justyna Goląbek, Karolina Grot**

Introduction: Working in the catering industry has not been the easiest for a long time. Strong competition often forced entrepreneurs to impose low margins, which either remained in the market or collapsed very quickly. In the market, we can find “gastronomic giants” who set up restaurant chains all over the world, and usually small local restaurants that rarely stand out beyond a specific area. It is certain that each entity starting a business in this industry is exposed to various types of risk, including economic risk.

Some examples of economic risks in gastronomy:

- Interest rates - many gastronomic enterprises want to impress with their appearance and attract as many customers as possible, so they take out loans so that the premises are well prepared immediately, so if interest rates increase, it may be a problem for a company with a loan for several hundred thousand;
- Minimum wage - gastronomy must employ a large number of employees - after all, it is not possible to serve customers, serve food to the table, prepare food and wash dishes by one person, an increase in the minimum wage may mean that the company will spend the most on salaries for employees, which is not too much beneficial;
- Price increases - food price increases are a very big risk for gastronomy, and these increases can often take place in the event of a crop failure, e.g., if in a given year vegetables and fruit do not want to grow too much, their price will increase, which will most likely have to increase the company's price, the price of their products, which is often met with customer dissatisfaction;
- Taxes - taxes are always a risk for most companies, regardless of the industry, their increase is a risk for gastronomy, especially if, for example, VAT would increase, which automatically increases the price of products, as was the case some time ago in the case of “goods luxury” such as seafood;
- Differences in exchange rates - many goods from which we prepare food are taken from abroad, if the value of the zloty decreases, the price of a given product automatically increases, which also becomes a risk;
- The economic situation of the country and the world - all crises have a strong impact on all enterprises, although some may have a stronger impact on a given type of industry, such as the covid currently affecting the catering and hotel industry.

According to the Central Statistical Office, in 2018 there were 69.8 thousand jobs in the country, catering establishments, of which bars accounted for 27.6% and restaurants for 28.2%. Revenues of the entire industry were estimated at the end of 2018 at approx. PLN 43 billion. Unfortunately, everything changed in 2020 when the pandemic began. As we can see, the amount of suspended companies suddenly increased in March 2020 when pandemic restrictions started. When the government decided to reduce restriction, some companies opened again but in autumn when the ruling party added new restrictions, the number of suspended companies rised again. That situation is a good example of economic risks. The pandemic situation and government resolutions became crucial to entrepreneurs’ decisions.

Abstract: The COVID-19 pandemic has turned out to be a serious challenge for the catering industry, employing around 1 million employees at the beginning of 2020 and generating revenues of approximately PLN 37 billion. Experts estimate that in many establishments’ profits fell by as much as 90%, and nearly 30% of gastronomic establishments may not survive the crisis and will permanently disappear from the culinary map of Poland.

Risk is the probability that an economic entity will incur losses as a result of taking a given economic decision. Economic risk is defined as the exposure to the risk of an investment made in a foreign country due to changes in business conditions or the adverse impact of macroeconomic factors such as government policy or the collapse of an existing government and significant currency fluctuations.

Conclusion: Current situation show us it is hard to predict what will happen few months away, but we should be aware of economic risks which can appear. If we will be prepared even in small degree, it will be easier for us to stand “hard times”. That is why some food companies deal with crisis by selling in Internet or in services like e.g., “Pyszne.pl”. Having a plan B is always a good way to break the economic obstacles.

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Source: Own elaboration based on „Bisnode Polska” data

Economic risk in gastronomy
J. Goląbek, K. Grot
The aim of the project is to present the advantages and disadvantages of blockchain and to investigate if the blockchain is effective in enterprise.

**INTRODUCTION**

Blockchain is a distributed ledger technology which improves on the centralized-based solutions in different ways and consists of peers connected in a distributed network where each peer has a copy of the ledger. The original concept of the technology on which blockchain is based was developed and presented in 1991 by Stuart Haber and W. Scott Stornetta. They described a solution that digitally signed documents with time stamps, preventing their modification or forgery.

33% of companies that use blockchain technology refers to consumer products & manufacturing sector. 74% of tech-savvy executive teams see a huge business potential in blockchain. 24% of companies plan to invest between $5 million and $10 million in blockchain by the end of 2021.

**Advantages**
- The ledger is distributed across every single node/user in the blockchain who are the participants.
- The blockchain technology does not require third parties for the verification, as these jobs can be done by users-nodes.
- The data in the blockchain cannot be altered or deleted.
- All the transactions and data are attached to the block after the block is verified and confirmed.

**Disadvantages**
- If someone would control 51% of network hashing power, one would be allowed to disrupt the network.
- Once data has been added to the blockchain it is very difficult to modify it.
- If a user loses their private key, the money and all information is effectively lost.

**Size of the blockchain technology market worldwide 2018 – 2025**

<table>
<thead>
<tr>
<th>Year</th>
<th>Market in billion U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.2</td>
</tr>
<tr>
<td>2019</td>
<td>2.2</td>
</tr>
<tr>
<td>2020</td>
<td>3.7</td>
</tr>
<tr>
<td>2021</td>
<td>12.7</td>
</tr>
<tr>
<td>2022</td>
<td>23.3</td>
</tr>
</tbody>
</table>

The chart above represents the size of the blockchain technology market worldwide from 2018 to 2025 in US dollar. From this diagram it can be clearly seen that the blockchain technology is gaining popularity among companies, and the size of the market is expected to grow 5.5 times in the next 4 years.

10 most popular companies which are already implemented blockchain: Facebook, Disney, Nestle, Samsung, Apple, Ford, Toyota, HSBC, Shell, Pfizer.

**CONCLUSION**

Based on the analysis, blockchain is an extremely innovative technology that presents a new approach to analysing, processing, and collecting data. Blockchain is gaining popularity in many areas of life and technology, and this is mainly due to the benefits it has to offer, such as data protection and decentralisation.

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ENVIRONMENTAL RISK (CYBERSECURITY) IN THE WORLD OF „SMART CITY” IN SELECTED CITIES OF THE LESSER POLAND VOIVODESHIP

SMART CITY

Smart city uses digital technologies or information and communication technologies (ICT). The main goal of this usage is enhancing quality and performance of urban services, reducing costs and resource consumption and engaging more effectively and actively with its citizens. Sectors that have been implementing smart city technology include government services, transport and traffic management, energy, health care, water and waste.

The purpose of the poster is to show the differences between various aspects of cybersecurity in the highest ranked smart cities in the world and selected cities of Lesser Poland Voivodeship.

CYBERSECURITY

Failure of IT systems leading to any risk of financial loss, disruption or damage to the reputation is called cyber risk. Therefore cybersecurity is the practice of defending computers, servers, mobile devices, systems and data from malicious attacks.

Three key factors influencing cyber risk in smart cities:

1. Convergence of the cyber and physical world: Blurred lines between cyber and physical world allows cities to control technology systems through remote cyber operations. Unfortunately, the more mobile devices, the more entry points to compromise city systems. Thus hackers can easily take advantage of the resulting vulnerabilities.

2. Interoperability between legacy and new systems: Integrating new digital technologies with legacy systems can create significant challenges and risks including inconsistent security policies, disparate technology platforms and hidden security vulnerabilities.

3. Integration of disparate city services and infrastructure: Increasing integration, interconnectedness and data exchange create shared vulnerabilities where a problem in one service area can quickly cascade into other area. This process leads to widespread and catastrophic failures.

Assessment of the attractiveness of selected smart cities in terms of cybersecurity

<table>
<thead>
<tr>
<th>CITY</th>
<th>WEIGHTING OF EVALUATION CRITERIA</th>
<th>Singapore</th>
<th>London</th>
<th>Cracow</th>
<th>Tarnow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convergence</td>
<td>0.4</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Interoperability</td>
<td>0.3</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Integration</td>
<td>0.5</td>
<td>5</td>
<td>4.5</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Average grade: Singapore 4.6, London 4.15, Cracow 1.7, Tarnow 1.4

Source: own study.

Environmental risk (cybersecurity) in the world of Smart City in selected cities of the Lesser Poland Voivodeship

P. Gębica, J. Chrzanowska
INTRODUCTION
An inherent element of a company operating in the modern world is the presence of risk. This is due to the existence of any activity in a rapidly changing and uncertain environment with very often unpredictable events.

WHY FINANCIAL RISK IS IMPORTANT?
Financial risk is a category of economic risk. It is a type of risk that affects the financial sphere of the entity in which the risk occurs. The most important financial risk categories include (Jajuga 2018, pp. 26-39):
- Market risk - exist when the price of financial instrument fluctuates.
- Credit risk - is created when a group fails to meet their commitments to their counterparties.
- Operational risk - resulting from incorrectly functioning internal processes.

DUN & BRADSTREET
Dun & Bradstreet is a company that has been supporting clients and partners in development for almost 200 years. Through data analysis, it helps its clients grow and offer the best business services.

FINANCIAL RISK MANAGEMENT D&B
Decision-makers have a great influence on the activities of financial risk management. Their main goal is to maximize the limits of financial risk and protect the company against its negative effects.

CONCLUSION
The concept of risk in the modern functioning of enterprises is an inseparable element of running the business in terms of development and establishing new relationships. Correct identification of confounding factors and key actions related to risk reduction constitute the basic approach to the risk area. Failure to accurately identify the risk could result in the disintegration of the business. Research activities related to risk identification should be regular in the company, involving all employees at every job level.

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Financial risk is the possibility of losing money on an investment or business venture. Some more common and distinct financial risks include market risk, credit risk, operational risk and liquidity risk.

### Study Area

**Financial Times Stock Exchange 100 corporates corporate finance and risk outlook for year 2021**

#### Results

- Corporate liquidity in 2021 will be elevated and skewed towards cash
- Liquidity for FTSE 100 companies has approached its highest level in recent history, leverage levels will remain broadly similar to pre-pandemic levels
- Opportunities to use cash, and the impact of leverage on equity returns, are key drivers for some corporates targeting the use of debt to fund growth
- Corporates will look to further diversify their sources of debt financing
- FX and interest rate risk managers will aim to lock in low rates and rates differentials, particularly in light of upside risks to inflation
- Inflation risks tilting higher will also be a key focus for corporate finance decision-makers

#### Liquidity position of FTSE 100 corporate through time

Source: ci.natwest.com

### Conclusions and recommendation

- **Seek diverse funding channels and opportunities.** Combining different alternatives will help to find the optimal capital strategy, the most suitable for a particular corporation.
- **Manage interest rate risk and inflation.** Not being aware of external market factor such as currency and exchange rate fluctuations can lead to eating away profits.
- **Act in good time to secure sufficient financing.** It is important to act in good time when it comes to financing to avoid running out of cash.
- **Do market research and developing a solid business plan.** Scenario analysis will help to determine positive and negative scenarios that could affect cash flow.

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Inditex is a company established in 1963, in Spain that started as a small business in a workshop making women’s clothing. Nowadays it is one of the world’s largest fashion retailers, with eight brands: Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Uterqüe.

This poster aim is to show the impact of the pandemic COVID-19 on INDITEX’s financial risk.

The pandemic is a tough time for all of the businesses and companies operating on the market. In the context of the pandemic, the topic of corporate financial risk is discussed very often.

Financial risk is the possibility of losing money on an investment or business venture. Some more common and distinct financial risks include credit risk, liquidity risk, and operational risk.

There is, however, one particular type of risk for the pandemic period – Systematic Risk.

In terms of profits, 2020 for Inditex was the worst in 15 years. The clothing giant, among others, reported a profit of €1.106 billion - as much as 70% less than a year earlier. It is also the lowest result since 2006 when the company generated an annual profit of €1.002 billion. Sales fell to the level from 5 years ago. The group’s performance, however, does not reflect the performance of individual brands. This diverse group includes both entities that helped the group avoid major losses and those whose results significantly diverge from the rest.

Besides tough economical situation, Inditex continued to show a strong financial position in 2020. Due to the strong operating performance, the full store and online integration, and the store optimisation programme the company reported lower inventory on sales and an increased cash generation.

Analyzing the available data showed that the company faced an overall decline in sales and profit in the face of systematic risks caused by the pandemic. However, it invested in technological solutions and improved e-commerce, which made customers willing to use its’ online services, online sales calculated in local currencies increased by 77%. This has largely contributed to the continuous sale, thus reducing the liquidity risk. The company said it considered the result a success as all stationary stores were closed periodically.

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Financial risk of INDITEX company in the pandemic era
W. Brach, M. Barłóg, A. Dańczyńska
Funding opportunities for startups in Poland

O. Mazur, A. Janiec, I. Bartosz
Going concern threats based on LOT Polish Airlines

Paulina Frymer
Weronika Gruca

The aim of our project is to analyze the situation of LOT Polish Airlines in terms of the risk of going concern.

• Changes in law which can have negative impact on company

Does it happen in LOT?
Yes, due to COVID-19 Polish government has suspended all international flights, which has severely limited the activities of LOT Polish Airlines. Only in the last two weeks of March 2020 LOT had to cancel about 4,500 flights. Assuming that the flight occupancy is 75% and that the average ticket price is PLN 710, LOT lost the opportunity to generate an income about PLN 220 million in this period. In the long run, it is impossible to keep the company operating in such conditions.

• Group layoff of staff and management

Does it happen in LOT?
Since the beginning of the COVID-19 pandemic, LOT Polish Airlines has dismissed 270 people from the flight crew and 14 people from the staff management. Furthermore, until cancelled, LOT does not pay the part of the variable remuneration to all directors and employees, which in the case of directors is 30% of remuneration. The company has also cut the working hours for cabin crew by half. This disturbing information may have a significant impact on the going concern threats of LOT Polish Airlines.

• Losing financial liquidity

Does it happen in LOT?
In the second quarter of 2020, LOT suffered significant losses due to the pandemic and travel restrictions imposed by Poland and other countries in order that preventing the spread of the coronavirus. As a result, LOT gets into arrears with payments and is threatened with insolvency. The European Commission has approved the government program of public aid for LOT Polish Airlines, worth nearly PLN 3 billion, that is EUR 650 million. The measures aim to improve LOT’s situation with regard to financial liquidity and shareholder’s equity in order to ensure continuity in LOT’s air transport services.

Taking into account all the threats that exist at LOT Polish Airlines, we come to the conclusion that if the current situation of the company does not improve in the near future, it is at risk of bankruptcy. The collapse of such a large Polish company could have serious consequences, so it should be hoped that this and next year will be profitable for the company.

References:

Going concern threats based on LOT Polish Airlines
W. Gruca, P. Frymer
How interventionism affects the economy of the country?

Interventionism is the " meddling " of the state in the economy and exerting influence over it. It is a system of economic policy of the state, it is any conscious influence of the state on the course of economic processes.

The state implements the policy of interventionism by:
- supporting failing enterprises (subsidies, preferential loans),
- projects aimed at increasing employment (e.g. public works),
- fiscal policy,
- monetary policy,
- financial policy.

Advantages:
- protect property rights,
- sense of security,
- stabilization of the economy,
- maintaining competition, resulting in less monopolization,
- requiring businesses to take care of the environment,
- creation of public goods (lighting, sidewalks, streets),
- functioning of public institutions (guards, police),
- helping the disabled and unemployed.

Disadvantages:
- distorted information about the facts of the economy,
- bureaucracy,
- high costs borne by the state,
- restriction of freedom.

PURPOSE:
Analysis of granted public aid in 2015-2019 in Poland.

State aid is interference by state institutions, consisting of granting aid in any form whatsoever to a single economic entity or group of entities, leading to distortion of competition in the free market.

CONCLUSION:
Increases and decreases in the value of aid granted are primarily related to the process of disbursement of EU funds (granted in the form of grants) and its cyclicity resulting from 7-year programming and budget planning periods. In 2016, the implementation of operational programs under the 2014-2020 financial perspective began and, consequently, there was a noticeable increase in the share of grants. The share peaked in 2017 and returned to 2016 levels in 2019.

How interventionism affects the economy of the country?
S. Jurkowska, M. Kromka, M. Łach
In March 2020, the news of the rapidly spreading COVID-19 virus shocked people all over the World. “What now?”, we’ve all asked ourselves. This question, even though more than a year has passed, is still relevant. All of the economy froze for a minute, including food services. We couldn’t enter the premises of any restaurants, we could only place orders to go or with a delivery.

Now we as customers want the food services to finally defrost, but so do the workers of this industry. The question is: how can service companies avoid bankruptcy? How can food services survive? And lastly, how not to get eaten in the COVID-19 pandemic?

According to the data for the first quarter of 2020, revenues and bills issued in the premises decreased by 80% when the premises were closed.

Active food outlets in the period Mar-Jun 2020

Delivery companies most used during the pandemic are mainly individual suppliers from local enterprises. When it comes to the most famous portals and applications used by customers - Pyszne.pl, Uber Eats and Glovo were mentioned. Wolt and other lesser-known brands were among the less popular.*

Over 70% of respondents do not agree with the closure of gastronomy. About 75% of customers use food services during a pandemic to support local gastronomy.

*based on an online survey conducted in April 2021, filled by 132 people
HOW TO BECOME AN ANTIFRAGILE ORGANIZATION?

In book Antifragile, Nassim Nicholas Taleb describes how some systems, such as biological ones, gain from disorder. Anti-fragile systems love randomness and uncertainty, going beyond resilience or robustness. They get stronger with stress and volatility. Startups tend to be anti-fragile, as they are new and are born in a world of disorder, stress, and chaos. Established organizations tend to be fragile. I believe, a startup grows and develops a success formula. With maturity, however, it can become rigid and fragile. Most successful organizations do not live volatility, randomness, uncertainty, disorder, stress, chaos, and stress. Yet we are in a world where disruption and randomness are increasing. Organizations that gain from randomness will dominate, and organizations that are hurt by it will go away.

Future shocks, including climate change events, will become bigger and more regular, and COVID-19 has been a stark wake-up call to all of our vulnerability levels. Organizations must now understand which changes have created value and learn to sustain the positive ones permanently. Antifragile organizations, like Amazon and Netflix, with digitally enabled, loosely coupled, and distributed workflows and infrastructures, have proved it possible to thrive, adapt, and emerge stronger from crises such as COVID-19.

The aim of the poster is to show ways for an organization to become much more fragile and more flexible with respect to the changing environment.

WHAT IS ANTIFRAGILITY?

Antifragility in business is creative tinkering, the Silicon Valley attitude of failing fast and often — and thereby increasing your chance of stumbling upon a positive black swan (or, in more traditional business terms: A disruptive innovation).

SO… HOW TO BECOME AN ANTIFRAGILE ORGANIZATION?

- Design your organization for resilience rather than speed. Research shows that successful exits take at least 6 years. As an entrepreneur, think about how the decisions you make will put you in a position to survive the eight years of uncertainty you likely need to succeed. For example, raise more money and spend less of it to make sure you have the runway to succeed.
- Foster an environment that stimulates creative tinkering and small-scale experimentation with a lot of upsides.
- Solve problems continuously and decentralize decision-making. Rather than being controlled through rigid command structures, employees at all levels should be trained every day to be quick problem-solvers. Decision-making should be decentralized.
- Run your organization based on sound heuristics and not pseudo-scientific methods of forecasting to make decisions.
- Learn from companies that have successfully responded to challenges and crises over time. The dismissal of yesterday’s shining star in favor of today’s (which all too often turns out to be tomorrow’s flame-out) is very revealing of shallow business school analysis (focused on short-term context and results) and ephemeral journalism (focused on the latest headlines).

CONCLUSIONS

We are in a world where disruption and randomness are increasing. Organizations that gain from randomness will dominate, and organizations that are hurt by it will go away. By adopting Taleb’s principles, we are able to help the organization improve while going through the ups and downs of the journey, and put them in a position to stay alive long enough to get lucky and succeed. Most of the presented suggestions are to remove barriers built. Barriers to diversity, autonomy, interaction and learning. We are the ones that through decades of scientific andlayistic administration created these barriers.

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How to become an antifragile organization?
A. Sry, S. Obajtek, K. Tomaszewska
Risk in gastronomy means how enterprises are able to deal with external and internal factors. The company must be aware of opportunities and threats. For this purpose, the key is to create a business plan and appropriate control and management.

The aim of the poster is to present the risks in the catering sector. As well as ways to reduce it.

Risk is a phenomenon that arises as a result of various threats related to losses incurred by enterprises. Identification allows you to identify the types of risk. On the other hand, risk management ensures that the enterprise will be based on an acceptable level of risk.

### Table 1 Types of risk

<table>
<thead>
<tr>
<th>Economic:</th>
<th>Social:</th>
<th>Environmental:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• lower revenues by losing customers</td>
<td>• deteriorated relations with contractors</td>
<td>• operational limitation due to a pandemic</td>
</tr>
<tr>
<td>• higher costs by introducing taxes</td>
<td>• underestimating the staff</td>
<td>• failure to protect data security</td>
</tr>
</tbody>
</table>

Source: own study based on forbes.pl

In order to minimize the risk, it is necessary to satisfy the target group of people. Invest in low cost products. Build relationships with contractors on understanding. Regularly rewarding of employees. Ensure sanitary safety in the premises. Regularly replace IT software.

The diagram shows how the pandemic influenced the functioning of the catering industries. Currently, there are 76,000 eateries in Poland, including restaurants, canteens and bars. Unfortunately, not many of them function the same as before the pandemic. It is literally a handful. Some venues have had to change their activities, while others have closed. A very large part of the catering industry has introduced takeaway dishes into its offer. Those industries that failed to do so have suspended their activities.

In gastronomy, risk always exists and will always exist. It is impossible to predict what the pandemic shows us. You can only try to eliminate it through various methods. People who have many ideas and do not give up easily will win by hand and will be at the forefront of the catering market.

Chart 1 The operation of companies in a pandemic

Source: own study based on Briefly.pl

References:
https://www.bosbank.pl/korporacje/serwis-ekonomiczny/analizy-sektorowe
IDENTIFYING RISKS IN THE SERVICE INDUSTRY IN 2020

The purpose of the poster is to analyze and identify the risks that have affected the service industry in 2020.

All of the following risks have been directly impacted by covid-19, the epidemic that has taken over the entire year 2020. Continuous lockdowns and restrictions have frozen global economies. The services sector has been the most affected by government restrictions due to the greatest risk of contagion (spread) associated with it.

Different types of risks such as environmental risks and economic risks are taken into consideration. Based on available data, a comparison of selected indicators was made between 2020 and previous years.

CONCLUSIONS

Business must be prepared for global risks and challenges. The situation in 2020 has forced companies, among other things, to make quick reactions and decisions in the face of dynamic changes related to the COVID-19 pandemic, the need to adapt to emerging new ordinances as well as regulations, the development of existing processes and schemes of action, or strengthening mobility.

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Identifying risks in the service industry in 2020
J. Pawlik, H. Reczek, K. Szydłowska
INSTRUMENTS FOR REDUCTING THREATS IN AGRICULTURE

- state interventions;
- increasing the resource of information, and so limiting the asymmetry of information;
- preventive actions (protective vaccinations for animals, directives on environmental protection and natural resources etc.);
- insurances;
- derivative instruments (forward contracts, futures contracts, commodity options);
- contracting;
- horizontal and vertical integration;
- diversification of production;
- using of the leverage effect;
- acquisition of income from various non-agricultural sources.

RSIK MITIGA METHODS IN AGRICULTURE

STATE INTERVENTIONISM

FINANCIAL
- subsidising agricultural production contractual, and food consumption through subsidies and tax relief

PROTECTIONIST
- lowering the competitiveness of imports too with import quotas, duties and fees compensatory

REGULATORY
- application of quality standards and regulations governing the turnover of agro-food products

INIVIDUAL INSTRUMENTS

CONSOLIDATION OF ACTIVITIES
- Vertical integration: capital, institutional, horizontal integration

RISK DIVERSIFICATION
- additional economic activity, various directions of production

INSURANCE
- Reserve funds (mutual funds)

CONCLUSIONS

The threat of catastrophic risk may gain in importance, and this in turn cause the existing insurance instruments will cease to be sufficient. There is therefore a need for prudence budget support.

Although a set of risk reduction management tools in agriculture it is very extensive, its use is not sufficient. It is limited to the use of state intervention, the use of insurance and disaster instruments help.
Insurance as a form of risk reduction in tourism enterprises

J. Stocks, A. Węgrzyn, D. Wątor
Internal control is all actions taken to achieve goals in a way that is lawful, effective, economical and punctual. The goals of internal control are: making sure that all activities are lawful, job effectiveness, reliability of the reports, resource protection, promoting and executing principles of ethical behavior, effectiveness of information flow, risk management. As management control in local government we should understand management which is the manager’s job. Some local governantes are subjected to the audit. The goal of that audit is detecting risks and weaknesses of management control and checking the efficiency of internal audit.

Financial results after all controls executed by NIK in 2015-2019 (mil)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(2501)</td>
<td>(2263)</td>
<td>(2196)</td>
<td>(2325)</td>
<td>(2166)</td>
</tr>
<tr>
<td>Financial benefits</td>
<td>74</td>
<td>74</td>
<td>106,5</td>
<td>43,9</td>
<td>17,3</td>
</tr>
<tr>
<td>Financial losses</td>
<td>4,8</td>
<td>7,4</td>
<td>1,6</td>
<td>4,5</td>
<td>8,5</td>
</tr>
</tbody>
</table>

Source: own study based on NIK activity reports.

According to the studies that took place in 2015 – 2018 decrees of positive answers was the largest for goals and risk management question. This is a decrease of as much as 16%. This, according to the employees, is the weakest part of management control system. Risk management are actions that thanks to risk identification, analysis and reaction, increase the likelihood of achieving goals and completing the tasks. Current risk monitoring reveals weaknesses of management system. Recommended actions in the management process:

- Mission
- Setting goals
- Monitoring and evaluation of the goals
- Risk identification
- Risk analysis
- Reaction to the risk

There isn’t one universal fitting risk management model. The independent internal audit is the source of information about risk management process. Correct risk management and external audit lead to more efficient risk management.

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Risk management are actions that thanks to risk identification, analysis and reaction, increase the likelihood of achieving goals and completing the tasks. Current risk monitoring reveals weaknesses of management system. Recommended actions in the management process:
INVESTMENTS IN DIFFICULT TIMES

The aim of this poster is to show the changing development and investment situation of Polish enterprises during the COVID-19 pandemic. They will be analyzed from 2019 compared to changes in this area in 2020.

According to the EY report “A year with COVID-19 through the eyes of Polish entrepreneurs”, since the introduction of the first lockdown (computer support of many companies) operations, entrepreneurs are not unanimous in the assessment of the situation in their company. 40% of medium-sized companies and 48% of large companies describe the situation of companies positively. Many of the positive reviews come from manufacturing and construction companies. In turn, 51% of micro-enterprises as well as service and tourism-related companies assess the situation negatively. As many as 69% of representatives of the hotel and catering industry state the situation of their company during the Covid-19 pandemic very difficult. Most of this is due to a decline in revenues. As many as 65% of microenterprises surveyed before COVID-19 indicate a decrease in revenues in 2020 by at least a quarter compared to 2019.

Many of the surveyed entrepreneurs indicated that the difficult situation during the pandemic did not force them to lay off workers or reduce wages. According to the research, 19% of all enterprises (excluding micro-enterprises) and 19% of large enterprises, 19% of medium-sized enterprises, 19% of small enterprises, 19% of enterprises in the construction industry, 19% of enterprises in the wholesale and retail trade industry, and 19% of enterprises in the service industry did not decrease wages, which proves their positive financial situation.

The study commissioned by EY was carried out by iMR in January 2021. A total of 501 companies, including 200 micro-enterprises (19 employees), 150 small enterprises (10-49 employees), 150 medium-sized enterprises (50-249 employees), and 50 large enterprises (250+ employees). Companies of various sizes and operating in various industries participated in the survey. The survey was carried out using the method of standardised telephone interviews with computer-assisted questionnaire (CAI).

The least frequent investments were enterprises related to activities related to culture, entertainment and recreation. This is the research of the Polish Economic Institute (PGE) from 2019. Investments in 2019 and plans for 2020 were mainly focused on:

- Building customer loyalty (20%),
- Computers (20%),
- Advertising and marketing expenses (20%),
- Employee training (20%).

Research shows that only 10% of companies developed e-commerce, and 13% introduced innovations in production and services. Many of the surveyed companies were not interested in investing in new technologies.

Conclusions

Changes in investment plans in 2020:
The situation of many enterprises has improved thanks to investments in new technologies. E-commerce has developed by limiting stationary trade, and the complication to work remotely has resulted in many advisory or cultural and entertainment services being provided online. The development of e-commerce also caused an increased demand for delivery and courier companies, which had to invest in the company’s development.
The Covid-19 pandemic has forced production changes in the chemical, pharmaceutical and clothing industries. These companies had to meet the growing demand for personal protective equipment, masks, disinfectants and medical equipment. Work and remote education forced enterprises to invest in computer hardware, virtual reality and computer software.

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Investments in difficult times

N. Kaganiec, R. Kaczer
Lockdown as a black swan on the way to small business development

K. Urban, J. Tkaczyk, W. Sroka

ECONOMIC EARTHQUAKE

Beyond the humanitarian tragedy of the COVID-19 pandemic, the economic impact on micro, small, and medium-sized enterprises which provide 70% of all jobs, but had fewer resources, has made them particularly vulnerable to the crisis.

"European Payment Report 2020", 58% of entrepreneurs from the SME sector and 48% of large companies report problems with liquidity due to the insolvency of contractors.

“The Report of the National Debt Register in Poland”
Companies from the SME sector have abandoned the long-term planning - only 5% of them plan activities for the next year.

According to the report of the Polish Startup 2020 Foundation, COVID Edition:

- The vast majority of startups do not intend to lay off employees (63%) - only 6% are planning reductions.
- Two-thirds of the companies did not use the anti-crisis shields. Those that used them, they mainly used loans (73%) or exemptions from ZUS (52%).
- No new recipients of services or products (53%) or sales declines (35%) indicate a worsening pandemic.
- As many as 80% of startups use their own funds, when it comes to financing your business.
- Almost a third of startups (32%) currently generate income greater than a year ago.

Black swan term is a metaphor

Events which are rare or highly improbable, extremely impactful, tend to be treated as explainable. Mostly during the changing course of history, for better or for worse, and sometimes for both.

Almost 90% of companies in Poland reported disruptions to their operations resulting from social isolation and changes in customer behavior. In addition to the drop in revenues, delays in payments from customers are also a very important problem. Most companies (59.3%) are unable to maintain financial liquidity without dismissing employees for more than 3 months.

Adapting to different realities

According to the ITC report, companies should increase their resistance by diversifying, connecting with business support organizations, and building financial reserves in good times.

Rapid response to emerging market opportunities
Management challenges how to keep employees motivated

To discuss employee motivation, let’s first write what this motivation is. We mean energy, creativity, the level of commitment and the sense of work that an employee brings to the workplace.

Purpose of the poster is researching the level of commitment of employees depending on the variable.

PURPOSE IN LIFE

Rank of the position in the company which is associated with employee responsibility’s and their life purpose.

Types of motivation

The majority of employees declared that they prefer positive motivation to negative one, the most important motivating factor for them is being respected at work.

Income

Earnings are one of the most important motivating factors for employees, however, if you follow only this factor when choosing a job, not paying attention to the atmosphere and work culture can cause very quick job burnout and mental illness.

What influences the motivation of employees

The CPD Standards Office cross-matched data and observe a correlation between income and happiness across industries.

Organisation of company

Job Satisfaction vs Organization Satisfaction
Research shows that job satisfaction is closely related to the level of organization.

Summary

The factors which had an impact on the motivation of employees are an individual issue, depending on people, but based on the above studies they are complementary.

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http://www.greatify.co/media/statistics-employee-motivation/
Management of environmental risks in technology enterprises on the example of ABB Ltd.

MINIMIZING CARBON FOOTPRINT

Within operations, ABB’s focus over the past seven years has primarily been on reducing GHG emissions from fossil energy and transportation, as well as from the handling of sulfur hexafluoride gas (SF6). In addition to these efforts, in 2020 all of their Business Areas and divisions worked to assess potential measures to cut their emissions in preparation for the ambitious new GHG targets in ABB’s 2030 sustainability strategy. A corporate-led climate-change program supported these assessments in 2020; during this time ABB built and sometimes transferred expertise to the divisions because their divisions are now fully accountable for their own GHG performance.

REASONABLE USE OF RESOURCES

According to the International Energy Agency, industry generates about 24 percent of GHG emissions – not just from burning fossil fuels, but also from chemical processes, waste management and other production-related activities. With respect to cleaner and more efficient infrastructure, existing technologies can be used to optimize water and waste treatment, energy services and other resources of critical importance to cities. The transport sector is also poised to be revolutionized by new developments in e-mobility, non-emitting vehicles and energy storage. Many of the advanced solutions required to make our cities and industries cleaner and more efficient have already been developed.

At ABB’s sites and offices worldwide, they employ over 800 sustainability specialists. They work to implement their programs and to ensure that ABB’s facilities comply with ISO and OHSAS standards to manage environmental and health and safety risks.

The principles of risk reduction and continuous improvement are also reflected in their approach to product development. When designing eco-efficient and recyclable products, ABB conducts Life Cycle Assessments – comprehensive evaluations that encompass long-term environmental consequences.

ABB took action in 2020 to help their suppliers reduce the climate impact of their operations. The Supplier Sustainability Rating program, created by ABB’s Smart Power (ELSP) division in 2019, is a good example of proactive approach to cutting ABB’s upstream Scope 3 emissions and should have an impact from 2021. Aimed at improving the carbon footprint of ELSP’s suppliers and turning their attention to circular economy principles, this program – among other, similar division-led initiatives – enabled them to have more substantive conversations with their high-impact suppliers on climate action and related topics.

Many of ABB’s customers have a larger impact on the environment than they do, and their technologies can help them achieve their environmental goals. In particular, ABB specializes in providing technologies that enable utilities, industry and transport & infrastructure customers to deploy clean energy and improve energy efficiency while extending the lifecycles of their equipment and reducing waste. ABB’s leading technologies are the reason why four Business Areas are partners of choice for the efficient electrification of consumption points, robotics, intelligent motion solutions and process automation.

References: ABB Sustainability Report 2020

Management of environmental risks in technology enterprises on the example of ABB Ltd.
D. Pałkowska, A. Szpakowska, K. Urbańska
PERSONEL RISK MANAGEMENT

Risk is an inherent element of the operation of any organization, and an integral one risk management is part of the decision-making process. Responsible for the management of the organization bears the risk. The risk can be defined as: negative and positive. The first he identifies risk with threat, second with chance. One of the definitions of risk treats it as: “measurable probability of occurrence events with characteristics other than the event expected and influencing in a manner direct or indirect to the deviation of the target value from the target value”. The uncertainty is equated with the risk unlike risk, it is non-quantifiable and therefore cannot be measured using probability. The most common risk is systematic and specific. Systematic risk involves external forces beyond the control of the organization that is exposed at this risk. Its source may be, for example, changes in labor law, tax law, or a change the economic situation of the country. On the other hand, the risk specific is specific to the given institutions, and its source may be, for example, ways of managing the organization.

The purpose of the poster is presenting personnel risk management.

| Errors in the adaptation of e.g. employees | 5% |
| Improperly conducted selection process | 15% |
| Difficulties in finding employees | 33% |
| Low level of employee motivation | 42% |
| Inappropriate training policy | 62% |
| Irregularities in the periodic appraisal process | 21% |
| No employment planning | 25% |
| Accidents at work | 8% |
| High employee turnover | 54% |
| Low level of entrepreneurship of employees | 29% |
| Fraud/theft | 16% |
| Difficulty in retaining key employees | 45% |
| Low employee competences | 33% |

Sources of personnel risk in the surveyed organization

Trying to answer the question whether personal risk is an opportunity or a threat, it should be stated that it can be both. The occurrence of this risk may have both positive and negative consequences influence the achievement of goals in the area of personnel policy. By treating personnel risk as a threat, these managers will more willing to carry out activities aimed at its reduction.

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PROFESSIONAL SUCCESS AND GOOD WORKING RELATIONSHIP—WHY THEY GO HAND-IN-HAND?

There are many components of a well-run business. An enterprise’s failure or success largely depends on the quality of relationships in the workplace. The key factor that can determine if a start-up will succeed is a positive and productive atmosphere in the office. If you want your company to achieve its objectives, it is worth investing in people and their job satisfaction. This is a win-win situation for both the employer and employees.

EFFICIENCY

Not every employer knows that good relations are the basis of effectiveness at work. The team works more efficiently and productively, and is therefore able to face any challenge at work.

MOTIVATION

Despite the generally accepted principle that the greatest motivator is money, it turns out this is often not the case. According to most employees, the main factor influencing their engagement is a good relationship with colleagues.

NO RIVALRY

Focusing on fulfilling the mission and purpose of the entire enterprise leads to mutual success. The positive atmosphere and the lack of unhealthy competition mean that employees work as a team to achieve the company’s goals.

People are undoubtedly the most important part of the business. It depends on them whether the company will be successful or not. We should focus on improving employee satisfaction and morale, because employees are the most valuable asset of each company.

A happy employee is 32% more devoted to the company and as much as 125% more resistant to burnout. 59% of people indicate that good interpersonal relationships in a team facilitate the performance of duties.

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Professional success and good working relationship—why they go hand-to-hand?
J. Skrzyniarz, P. Solska, M. Nykiel
Every business in the market is at risk. The literature review allows to identify, among others the following types of risk:

- Financial risk
- Strategic risk
- Operational risk
- Random risk
- Changes in legal regulations
- Economic slowdown
- Fluctuations in raw material prices
- Business interruption

Start-ups are particularly at risk, and the COVID-19 pandemic has exacerbated this threat.

A start-up, according to the definition proposed by PFR, is a newly created enterprise or a temporary organization looking for a business model that would ensure its profitable development. Steve Blank defines a startup as an organization created to search for a repeatable and scalable business model. In turn, Eric Ries, the author of the book "The Lean Startup", defines a startup as a venture that was created to create a new product or service in risky conditions, with uncertainty. The moment when the enterprise is not a start-up may be profit, merger or acquisition.

Companies exposed to success / failure

Hope for success:
- IT industry,
- Construction industry
- Medtech, cybersecurity, e-commerce, e-sport

Risk of failure:
- Gastronomy
- The entertainment industry
- Tourism

What problems do start-ups face in Poland during the pandemic?

We present selected problems, ranked from the most important:

- late payments from customers / partners
- retaining existing customers
- remote work
- delays in the implementation of tasks
- reduction of investment plans
- developing a new business model
- small financial background
- employing people with no experience and "Know HOW"
- problems with raw materials
- introduced restrictions

Starting a business has always been associated with high risk. For many start-ups the time of the pandemic turned out to be a great opportunity. Companies that decided to invest in remote work, e-commerce, courier services, the medtech industry took a risk and succeeded. These start-ups that took risks and introduced new products and services to the market during the pandemic have secured a permanent place on the market and will certainly remain in it longer, even after the COVID-19 pandemic ends.
Financial risk will always be a cause for concern in banking. However, banks are now much better positioned in terms of capital and liquidity. Now, nonfinancial risks have taken on new levels of importance, especially as we are facing a global downturn driven by the unprecedented events related to COVID-19.

115 risk managers from 94 banks from 43 countries around the world participated in the study by EY and the Institute of International Finance. Study of the show in the period from July 2019 to September 2019. The result of the research was the observation of changes that took place in the classification of key types of risk.

The aim of the poster is to present the results of research by EY and the Institute of International Finance (IIF) identifying 10 significant risks that will require strong management over the next years.

Back in 2015, cybersecurity risk was ranked 10th in terms of the significance of the threat, while since 2017 it was the biggest cause of concern for CROs and banks' management boards.

The analyzes of EY and the Institute of International Finance point out that the development of IT technologies is not the only threat accompanying banking activity in the coming years. Among the 10 major risks and issues over the next decade are:

1. Weathering the likely financial downturn
2. Operating in an ever-expanding ecosystem
3. Protecting privacy to maintain trust
4. Fighting a cyber war in banks and across the system
5. Navigating the inevitable industry transition to cloud
6. Industrializing data analytics across the business in a controlled manner
7. Delivering services to customers, clients and markets without disruption
8. Adapting to the effects of fast-shifting geopolitics on banks and their customers
9. Addressing the impact of climate change on banks and society
10. Meeting emerging customer demands for customized, aggregated lifetime offerings

References:
2. Tenth annual EY/IIF global bank risk management survey

Risk in the banking services sector – analysis of the types and methods of measurement
K. Czarzyńska
Companies use a lot of practices that are far from being legal. It is possible to stay competitive and stay away from breaking the law. But why do they still break it? It’s all about money.

One of the main frauds that have become a plague is an undeclared work. There is no contract, no taxes or insurance paid. An employee works for an economic entity without any obligations. It’s somehow beneficial for the company, because the costs of employee are less. It’s not legal by any means.

Another crime, that has been committed on a large scale for decades is a tax evasion. This is a global problem for every country. Companies use many different techniques to avoid the taxes, just to keep money for themselves. Here is the diagram, which shows the cost of tax avoidance on the biggest countries of the world:

There are many possibilities to save funds by breaking the law. These funds can be used to lower the prices, hire more employees, or make an advertisement. It lets the company stay ahead of the others, until legal consequences arise. Every country has its own institution responsible for controlling tax payments. Health and Safety Rules are controlled by Health Departments. When there’s something wrong, those institutions react by forcing huge fines on company. Sometimes the cases go to court. In many cases it ends up with a custodial sentence.

REFERENCES:
http://piz.san.edu.pl/docs/e-XVI-8-3.pdf?blcclid=IwAR1n808F_E_U27qA82KxH7Dx8r38U1jimH825D0819XWdJVsicg3W-coxFsPA
(2) https://www.statista.com/chart/8668/the-global-cost-of-tax-avoidance/

Risk management — competitiveness or the law?
D. Chabik, M. Machaj
Risk Management in local government units

The uncertainty and risk accompanies all activities and processes undertaken by main since the beginning of civilization. Risk-related issues are the subject of detailed scientific research. In local government units, problems of risk occurrence are particularly visible in the field of disposal of public funds and effective and efficient execution of public tasks. Risk is an element of management control in the public sector. The objective of this poster is to define and classify risk, determine procedures and policies for risk management in local government units and present the results of risk management studies.

Risk
Risk is the possibility of an event occurring that will affect the achievement of objectives. Risk is measured by the strength of the impact effect and the likelihood of its occurrence. Risk is usually associated with losses, danger, additional costs resulting from the occurrence of an event, which results in disruption of the implementation of objectives and tasks.

Risk management
Risk management is the process of identifying, assessing and controlling threats to an organization's capital and earnings. These threats, or risks, could stem from a wide variety of sources, including financial uncertainty, legal liabilities, strategic management errors, accidents and natural disasters. Risk management allows local government units to attempt to prepare for the unexpected by minimizing risks and extra costs before they happen. Risk Management is a systematic and formalised process instituted by the local government unit to identify, assess, manage, monitor and report risks to ensure the achievement of objectives.

Risk classification

<table>
<thead>
<tr>
<th>inside</th>
<th>outside</th>
</tr>
</thead>
<tbody>
<tr>
<td>financial stability</td>
<td>funding</td>
</tr>
<tr>
<td>health and safety</td>
<td>reputation</td>
</tr>
<tr>
<td>human resources</td>
<td>political risks</td>
</tr>
<tr>
<td>asset protection</td>
<td>natural disasters</td>
</tr>
</tbody>
</table>

Elements of the risk management process

- Identification and analysis
- Reaction
- Documentation
- Monitoring
- Communication

Assessment of the risk management actions taken in local government units

- We operate on the basis of documents from the website of the Ministry of Finance
- We have benefited from training on risk management
- All decisions regarding risk management are made by the head of the unit
- We have a dedicated member of staff for risk management
- We follow the procedures established by our unit manager

Uncertainty and risk in the operations of business units exist and will continue to exist. Risks should not be feared - they should be named, identified, analyzed and mitigated. The most important factors causing risk in the local government units are economic conditions, inappropriate human resources policy, financial threats, lack of knowledge and competence of employees, growing requirements of organizational order or changes in legal regulations. The authorities of the local government unit should be able to foresee the risk of functioning of a given unit. Risk identification and assessment are important factors in decision-making and actions enabling the realization of tasks. According to studies, risk management training are common in local government units. However, little is done to implement risk management solutions. Risk management is an important part of local government units, to assure proper functioning of these units, these should be implemented soon.

References
Sełkowska B., Ryzyko w jednostkach samorządu terenowego jako element kontroli zarządzania. Ekonomiczne Problemy Ubez. nr 4/2017 (126)
Cot B., "What is Risk Management and Why Is It Important", SearchCompliance, 2020
Eisenstein L., "Best Approaches for Managing Risk in Your Municipality", Digient Insights, 2019
RISK MANAGEMENT IN TERMS OF ACHIEVING STRATEGIC OBJECTIVES

Strategic objectives are broad and clearly defined statements of ‘end goals’ that an organization aspires to achieve within a defined long-term timeframe.

1. Identification
   It is important to identify as many risk factors as possible.

2. Analysis
   This step focuses on understanding the link between the risk and different factors within the organization.

3. Evaluation
   Risks need to be ranked and prioritized.

4. Treatment
   Risk needs to be eliminated or contained as much as possible. This is done by connecting with the experts of the field to which the risk belongs.

5. Monitoring
   It allows your business to ensure continuity.

Methods for Risk Management:
- **Avoidance**: avoiding activities that may incur danger
- **Retention**: accepting a risk as a given, usually to help offset larger risks down the road
- **Sharing**: based on reducing the likelihood and impact of uncertainty
- **Transferring**: shifting responsibility for losses from one party to another in return for payment
- **Loss Prevention and Reduction**: minimizing the loss

The purpose of the poster is to present risk management as a path to attain strategic objectives.

What is important for organisations?
Organisations should ensure they have a top-down process for identifying, assessing, evaluating, and treating risks to each objective. Management should consider modifying objectives and strategies based on assessments of risk and whether they can be managed within acceptable limits.

The levels of uncertainty surrounding strategic decisions - H. Courtney (McKinsey&Company)

- Level 1: clear enough future - single view of the future
- Level 2: alternative futures - limited set of possible future outcomes, one of which will occur
- Level 3: range of futures - range of possible future outcomes
- Level 4: true uncertainty - not even a range of possible future outcomes

REFERENCES:
- Association for Project Management (APM), "What is risk management?”, https://www.apm.org.uk/resources/what-is-project-management/what-is-risk-management, accessed May 11, 2021

Risk management in terms of achieving strategic objectives
J. Trąbka, P. Zachara, A. Zegiel
Risk Management in the enterprise according to the methodology PMI

Management according to the PMI methodology, it is a risk management that identifies threats and at the same time analyzes and assesses the risk.

One of the PMI certificates is PMI-RMP Project Management Institute Risk Management Professional - a certificate confirming the risk management skills in a project: identifying and minimizing risks and taking advantage of opportunities. DEWA saved AED 1,521,140 by managing risk in accordance with the PMI methodology.

PMI-RMP performed a detailed analysis and divided the project risk management into 6 stages:

- Planning of risk management
- Risk identification
- Qualitative risk analysis
- Quantitative risk analysis
- Planning of risk mitigation measures
- Risk monitoring and control

Currently, the organization of PMI around the world has:

- 740,000 PMI certificates issued
- over 10,000 volunteers and over 470,000 members in 207 countries in 283 local branches

A risk management competency helps organizations assess and identify project risks, mitigate threats and capitalize on opportunities. In fact, organizations that report they always use risk management practices have significantly better project outcomes compared to organizations that do not.

Aim of the poster is to show that PMI has an impact on the management of the company and leads to success. It allows you to get progress in activities and project management around the world.

By using the PMI methodology, DEWA receives the following benefits:

- reduced risk
- lowering costs
- increased efficiency
- increased innovation
- improving productivity

so many organizations in the world have low scores due to little knowledge of the PMI-RMP

so many organizations in the world use the PMI-RMP and have high scores

Risk Management and Project Outcomes

<table>
<thead>
<tr>
<th>Met original goals/business intent</th>
<th>Finished on time</th>
<th>Finished within budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>% among organizations that always use risk management practices</td>
<td>% among organizations that do not always use risk management practices</td>
<td></td>
</tr>
</tbody>
</table>

Reduced risk
Lowering costs
Increased efficiency
Increased innovation
Improving productivity

REFERENCES:
2) https://mfiles.pl/pl/index.php/Zarządzanie_ryzykiem?fbclid=IwAR2xrROPTjUSRdWrzWtRWE0dfnui8n2EHPjHNEofhCUn_TgakRABp.0w
3) https://www.pmi.org/certifications/risk-management-rmp
4) https://www.pmi.org/business-solutions/case-studies/how-dewa-increased-efficiencies?fbclid=IwAR2jgh6dZZPX3thj1Upl8F5V0v0mWiwLbBo2dilVKK_vkd7WlHjGk.nNU4

Natalia Hajduk, Andżelika Kędzior
Across the travel industry, a number of measures are being considered to mitigate the spread of COVID-19 and prevent potential new contagions.

New duty of care solutions will emerge, and existing programs and solutions will be updated to incorporate:

- new health information guidelines and notifications
- new airport, lodging and cruise health screening standards
- more robust employee and traveler tracking
- near real-time communication and alerts
- guidelines and options to address local testing and quarantine requirements when traveling

"In the past, responsibility to determine which trips were deemed essential travel usually fell to department heads and travel managers; and now, the C-Suite is involved. With the complexities resulting from COVID-19, it’s even more difficult for internal stakeholders to understand all aspects of an ever-changing situation and make this decision. A company must consider not only the business case and various cost tradeoffs, but also the constantly changing landscape of COVID-19 safety risks, travel restrictions and border closures. This moving threshold for essential travel necessitates multiple approval points and multiple layers of risk assessment; transforming the question of essential travel from a permission-seeking process, into one where individual traveller needs and wellbeing are central."

A “Carrot” Approach to Compliance.

Compliance has long been a key challenge for travel risk management policies. When employees don’t book in-channel, it’s much tougher to communicate contingency plans, check up on traveller wellbeing, and ensure safety and security if something goes wrong. With COVID-19, the need for compliance will be even more critical, but luckily, employees are likewise more tuned in to the importance of keeping safe on the road. Taking a “carrot” rather than a “stick” approach can be particularly useful – encouraging travelling employees to book in-channel by offering associated travel benefits. Premium lounge access, for example, is now even more in demand as lounges offer a well-maintained space to relax away from the crowds. A travel policy that provides premium lounge access will not only encourage compliance, but also help travellers feel safe and looked after throughout their journey.

Conclusion:

Carrot approach is the best way to deal with the dilemma new technologies like thermal scanners and air cleaners can advance the fight with the pandemic.

Trends of travelling changed under the threat of COVID, but it will last till this situation will be under control. After this period, people will choose different destinations, which are more suitable to their dream destinations.

Tourism have to evolve to survive the duration of pandemics.
Risk mapping is a listing of all the relevant risks that might affect the company, where each single risk is placed in a two-dimensional space: impact and probability of occurrence. The location of the risks in this space allows top management to reach a decision regarding which risks should be assumed and which risks should be hedged.

Risk is an integral part of every area of the economy—both for small businesses and for national governments. It is important to have adequate risk management that enables timely responses to risks. Therefore, the subject of this poster is to present one of the tools that allow assessment of the level of risk—the risk mapping.

**RISK CATEGORIES**

**STRATEGIC RISK**
- Changes in consumer preferences
- Disruptive Technologies
- Unexpected matters by competitors
- New competitors
- Substitute products

**OPERATIONAL RISK**
- Machinery or system failure
- Defective products
- Supply chain failure
- Loss of valuable knowledge
- Inherent obsolescence

**FINANCIAL RISK**
- Foreign Exchange Risk
- Interest Rate Volatility
- Credit Risk
- Liquidity Risk

**POLITICAL RISK**
- Changes in the rule of law
- Expropriations
- Social unrest and syndical problems
- Wars and civil wars

**RISK MAPPING ON THE EXAMPLE OF QUEENSLAND GOVERNMENT**

The below information follows the guidelines set out by Queensland Treasury and Trade A Guide to Risk Management. It combines the likelihood of the risk occurring and the consequence should such a risk occur, to result in the risk rating for treating and/or monitoring the risk.

**Example rating scale for risk likelihood - initiatives and systems**

<table>
<thead>
<tr>
<th>Likelihood scale</th>
<th>Criteria Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rare</td>
<td>Extremely unlikely or virtually impossible</td>
</tr>
<tr>
<td>Unlikely</td>
<td>6–25% Unlikely to occur</td>
</tr>
<tr>
<td>Possible</td>
<td>26–75% Fairly likely to occur</td>
</tr>
<tr>
<td>Likely</td>
<td>76–99% More likely to occur</td>
</tr>
<tr>
<td>Almost certain</td>
<td>&gt;99% Almost certain will occur</td>
</tr>
</tbody>
</table>

The following rating scale considers the likelihood that a specific risk will occur and can be used in the assessment of likelihood for both ICT (Information and Communications Technology) initiatives and ICT systems.

**Type of impact**

<table>
<thead>
<tr>
<th>Impact to cost</th>
<th>Impact to time</th>
<th>Impact to scope</th>
<th>Impact to government reputation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insufficient</td>
<td>&lt;$150k</td>
<td>&lt;10 days</td>
<td>Minor change in ancillary requirements; Some impact to government reputation; control of impact can be managed internally</td>
</tr>
<tr>
<td>Minor</td>
<td>$150k - $500k</td>
<td>10 - 20 days</td>
<td>Change in ancillary requirements; Moderate impact to government reputation; control of impact can be managed internally</td>
</tr>
<tr>
<td>Moderate</td>
<td>$500k - $1.5m</td>
<td>20 - 40 days</td>
<td>Change in multiple requirements; Major impact to government reputation; control of impact may need to be outsourced</td>
</tr>
<tr>
<td>Major</td>
<td>$1.5m - $3m</td>
<td>40 - 60 days</td>
<td>Change in any of the critical requirements; Severe impact to government reputation; control of impact may need to be outsourced</td>
</tr>
<tr>
<td>Critical</td>
<td>&gt;$3m</td>
<td>&gt;60 days</td>
<td>Major impact in any of the critical requirements; Impact significant to government reputation; media news coverage; Minister or Premier involved</td>
</tr>
</tbody>
</table>

Risks are classified based on the principles of likelihood and potential consequences set out above. These are then applied in the risk matrix. On this basis, an assessment is made of the level of risk for the events considered.

**REFERENCES:**

Risk minimalization in construction investments in the context of quality control of construction processes

N. Nesterak

### INNOVATION COUNCIL IN THE PROJECT

**MICROSERVICES**
Architecture based on microservices enables separating modules realizing particular groups of functionalities. It is easier to run software in the cloud and allocate computing power dynamically.

**PORTABLE CONTAINER**
The individual microservices are run using “Docker” software, which allows you to place applications in a portable container. It is a software that supports the creation of distributed applications based on microservices.

**LOCAL VIRTUALIZATION**
Software was used to run individual services on the local environment to facilitate the configuration and management of applications on the local virtualized environment – an overall acceleration of the production process.

**IMPROVING APPLICATION SERVER PERFORMANCE**
The presentation layer is independent of the business logic layer. The server handles the business data processing, and the client workstation runs the code responsible for presenting the data.

### KEY FUNCTIONALITIES OF THE SKJ SOLUTION

Quality control is any activity to inspect, measure, or test one or more characteristics of a product and relate the results to specialized requirements to confirm compliance with standards. These are:

- quality is one of the essential parameters of a construction project,
- the requirements are specified in the project and are mandatory,
- different documents are associated with each stage of construction,
- handling, lifecycle, and archiving of documents is key,
- deviations from the requirements must be documented and corrected.

Quality Control System (SKJ) is an information system designed for the construction industry. Its primary task is to support the quality control process and thus support the handling of documents related to the construction project.

- creation of documents related to the construction project,
- handling documents that are key to the construction project,
- processing of important documents for a construction project,
- archiving of construction-related documents.

### TECHNOLOGIES USED AND STANDARDS USED

- **MACHINE LEARNING** – the ability to improve oneself through accumulated experience.
- **VIRTUALIZATION** – the process by which software simulates the existence of logical resources that use physical resources established during configuration.
- **DOCERIZATION** – replaces virtualization by using what is called containerization. It is based on the fact that it allows to run the indicated application processes in separate containers, which from the application point of view are separate instances of the runtime environment.
- **TEST-DRIVEN DEVELOPMENT (TDD)** – a software development technique, classified as an agile methodology, is part of extreme programming.
- **BPMN (Business Process Model and Notation)** – a notation for describing business processes.
- **PCA (Principal Component Analysis)** – factor analysis method – a data set of N observations, each of which includes K variables, can be interpreted as a cloud of N points in a K-dimensional space.
- **UML (Unified Modeling Language)** – a language used to model systems.

### RISK MANAGEMENT WITH SKJ

Any construction is fraught with risk. Any deviation from the stated requirements may cause accidents at work, delays and financial losses.

In order to minimize the risks during the construction project, the Quality Control System (SKJ) for Construction can be used.

The use of SKJ reduces the risks associated with:

- loss of project documents – SKJ Documents module provides access to key documents in construction project,
- delay in the completion of tasks in the project – SKJ Projects module enables efficient task scheduling,
- lack of information on important data concerning project implementation – SKJ Reports module allows for generating and delivering reports concerning overruns,
- risk of unauthorized access to information – SKJ Organization module provides qualified access to data,
- missing an important deadline – SKJ Alerts module sends notifications,
- loss of connectivity to key customers – SKJ CRM module allows managing contacts to all project stakeholders.

### PROJECT OBJECTIVES

**System Preparation** - Quality Control in Construction. Conducting development work and introducing the system on the market. The justification for SKJ work is a business analysis of the possibility of introducing the application on the market. It is the basis for formulating the business case for the overall project. Based on commissioned market research, it was determined that there is a niche in the construction software market for such a product.

More information about the project: https://teamsoft.pl/
RISK OF DEPOPULATION AND ITS CONSEQUENCES FOR THE TERRITORIAL UNIT

(on the example of the city of Tarnów)

The main objective of the poster is to present the risk of depopulation phenomenon and its consequences for the territorial unit. The aim of the poster is to show the demographic situation in Tarnów and the actions taken by local authorities to prevent the depopulation of the territorial unit.

Definitions of depopulation
1. Depopulation occurs when an area experiences substantial population loss over a protracted period, resulting in significant population decline (Jensen, Lichter 2019).
2. Depopulation is a process of voluntary population movement resulting from an individual decision of individual people (families), causing the change of the place of residence in connection with the intention to obtain more favorable conditions for the implementation of your own (family) life plans in the sphere of personal and professional contacts, accessibility labor market and social, economic, political and cultural activity (Hryniewiecka 2020).

TARNÓW
basic info
Malopolskie Voivodeship
Area: 72.58 km²
Municipal rights since 1350,
granted by king Władysław Lokietek
"Polish Heat Pole"

Data on depopulation and depopulation forecast in Tarnów

What determines the choice of residence?
Housing
Economical factors
Comfort of living
Availability of services
Labor market

Consequences of depopulation (Corwin 2017)
- Decreasing efficiency of infrastructure and transport
- Decline in property values
- Loss of human capital
- Lower attractiveness of the city
- Limitation of labour market
- Negative natural growth
- Regression of the consumption market

Additional consequence for Tarnów
Loss of the status of a city with county rights

Depopulation of Tarnów in the eyes of the local authorities
Based on an interview with the head of the County administrative Department and Division Coordinators in Tarnów.
The interview was conducted on 30.11.2015 by S. Szymańska.

It is not possible to stop depopulation, but depopulation rate can be decreased. Local authorities by themselves cannot stop depopulation. Some changes can be initiated, but inhabitants have to participate. In order to decrease depopulation local authorities and numerous communities should work together for a prolonged period of time. Cooperation and synergy is key.

Tarnów's strengths
1) Size of the city and its compactness
2) Peace of life in Tarnów is family-friendly
5) Availability of services in various sectors
4) Good quality of education, health services, social policy
5) Good offer of housing
6) Offers and assistance for new entrepreneurs
7) Convenient geographical location

Measures of the local authorities against depopulation of Tarnów
1) Improving the attractiveness of the local labour market
2) Stimulating creativity of local entrepreneurs - digital training, managerial courses, etc.
5) Attempts to encourage investors from outside of Tarnów to set up businesses in the city
4) Creating economic activity zones
5) Renovation of neglected areas and taking care of availability and quality of public services
6) "Flat for renovation", "Flat for start" - government program
8) Reinforcement of the bond between inhabitants and the city
9) Modern measures - Tarnów City Card, Tarnów Card of a Large Family, Tarnów Senior Citizen Card

Risk of depopulation and its consequences for the territorial unit
G. Grzebiieniowska, J. Kaleta, N. Klich
The graph shows the population of Kielce and Tarnów between 1995 and 2019 with a continuous decline in population, implying depopulation of these cities.

Interpretation of the depopulation problem, its causes and consequences on the example of Tarnów and Kielce.

Authors: Wiktoria Dziadosz, Diana Kopiec

The forecast concerning the population in Kielce and Tarnów is very pessimistic. The graph shows that the population will continue to decline. Forecasts say that in 2050 the population in Kielce will drop to 137,893, and in Tarnów to 72,800. This is very worrying because it can lead to serious consequences, and exactly what we will see in a few dozen years.


Depopulation means the process of depopulation of a certain area, that is a decrease in the number of people and, consequently, in the density of that area. It can be caused by the surplus of deaths over births and / or the surplus of emigrants over immigrants.

Risk of depopulation in Kielce and Tarnów and its consequences for local communities
D. Kopiec, W. Dziadosz
The accounting profession is confronted by a rapidly changing global economy producing new opportunities and new challenges while unresolved old issues such as independence continue to pose serious problems. Accounting firms are responding to the dynamic environment around them by reengineering all dimensions of the organization.

These risks are not mutually exclusive, thus a firm may have to deal with one or more of these risks simultaneously for a given service offering, and in an interdependent manner when multiple services are provided to a single client.

While the model developed is theoretical, it offers practical implications for the management of risk in an accounting firm.

References: Jacobs F. A Multidisciplinary Approach To Risk Management For Accounting Firms. In: The Journal of Applied Business Research, volume 18, Number 4, University of Alabama at Birmingham, 2011, s. 69-79.
Risk management strategies

**Definition:** Risk implies future uncertainty about deviation from expected earnings or expected outcome. Risk measures the uncertainty that an investor is willing to take to realize a gain from an investment.

It constitutes a set of rules, standards and tools enabling the implementation of the basic risk management objective, which is broadly understood ensuring the safety of TAURON Capital Group operations.

The following specific risks are distinguished in TAURON Capital Group within the ERM System:

<table>
<thead>
<tr>
<th>Commercial risk</th>
<th>Financial risk</th>
<th>Credit risk</th>
<th>Operational risk</th>
<th>Risk in projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>possibility of incurring a loss or making a gain due to a change of prices on commodity and related product markets</td>
<td>possibility of incurring a loss or making a gain due to a change of FX rates, interest rates, including also lack of liquidity risk</td>
<td>possibility of incurring a loss or making a gain due to a change of financial position of counterparties and customers of TAURON Group, as a result of which it will not be able to fulfill its obligations</td>
<td>possibility of incurring a loss or making a gain due to inappropriate or fallible internal procedures, human and system errors, failures of devices as well as external events</td>
<td>possibility of incurring a loss or making a gain due to unexpected events the occurrence of which impacts schedule, budget, quality or benefits of the Project</td>
</tr>
</tbody>
</table>

A special role, as part of the risk management process, is performed by the Risk Committee as an expert team that persistently and continuously initiates, analyzes, monitors, controls, supports and oversees the functioning of the TAURON Group’s risk management system.

It is worth mentioning that largely thanks to a properly conducted risk management strategy, the TAURON Group achieved very good financial results in 2019 and generated a solid EBITDA, and therefore it should continue in this way.

Risk management strategy in the TAURON Group

- Co-creates in the TAURON Group the internal audit system, constituting, along with the compliance and security management functions, an element of the three lines of defense
- Ensures a clear split of competences and responsibilities, in particular by introducing risk ownership function
- Provides centralized risk measurement, monitoring and control function and also ability to evaluate the full risk profile in the organization and coherent risk management principles
- Ensures independence of the risk taking function from its control and monitoring
- Is in active process, focused on an appropriately early identification of threats, allowing for taking preventive measures

The architecture of the ERM system in place in the TAURON Group

Risks in optimizing and forecasting the demand for electricity and heat in the decision-making process of enterprises

RISKS IN ENERGY DEMAND OPTIMIZATION AND FORECASTING

In terms of heat distribution revenues, the following issues have been analyzed as a result of risks in this area:

- errors in short-term forecasting of heat distribution revenues;
- incorrect planning of investments in district heating networks;
- inadequate financial planning for heat distribution;
- poor assessment of the probability of a heating network failure in a short time horizon in the specified section of the network.

One possible model to be used in the area of financial planning is the modeling of revenues from heat distribution. The purpose of using this model is to increase the market share of district heat. This may influence the reduction of the share of local boiler houses in heat generation and thus the reduction of low emission of pollutants generated in the combustion process. In the area of energy, issues resulting in turn from the following risks were analyzed:

- errors in forecasting energy price on the market;
- suboptimal electricity storage;
- suboptimal storage of water for cooling of power units;
- poor assessment of the probability of grid failure.

The built system includes a model that allows forecasting electricity prices within individual days (with the possibility of division into hours). The observed increase in energy demand, as well as the simultaneous need to reduce CO2 emissions, pose a number of challenges that aim to minimize the environmental impact of heat at ever increasing production rates. The system can help with appropriate financial planning which will make a significant contribution to increasing the production of high-quality energy on the market while reducing environmental damage.

TECHNOLOGIES AND METHODS USED

- Machine learning
- WebService
- Expert system
- Qualitative research
- Experimental studies
- Action Research
- Artificial neural networks
- Regression analysis
- Decision trees
- Association rules
- Reduction in dimensions
- Universal Design

PROJECT RESULTS

As a result of the project, a modern solution was developed - an expert system equipped with an analytical engine for advanced data processing. The solution supports your decisions in the area of energy, heat and gas resources. The research project produced a prototype. Based on the planned research and its results, technologies have been developed to meet the needs of the target group. Thanks to the project Teamsoft is currently introducing new products as a result of the implementation of R&D work.

ACHIEVED PROJECT OBJECTIVES

- integration of three components: the knowledge engine under construction, the input database and the interface;
- implementation and connection of purchased software to the existing research environment;
- implementing the data structure;
- input of actual data from defined data sources;
- implementation of algorithms for power, heat and gas areas;
- testing the resulting algorithms on near real-world data sets;
- launching a knowledge engine and machine learning;
- demonstration of a prototype in near real-life conditions.

The aim of the project was to develop information technology - a knowledge engine for a decision support system in the field of energy and heat management and gas.

Project "Research on artificial intelligence in the field of machine learning of decision support system in the field of energy, heat management and gas", co-financed under the Regional Operational Programme of the Mazowieckie Voivodeship 2014-2020, Measure 1.2 "Research and - enterprise development", co-financed by the European Union under the European Regional Development Fund, agreement for co-financing no. BPMA 01.02.00-14-a103/17-00.
The risks of introducing the Youtube Premium

M. Pietlin, Ł. Lampa, D. Dabrowski

STEP ONE - Identify the risks

The first step is to identify the risk that the business is exposed to in its environment. There are many different types of risks, market risks, environmental risks, regulatory risks, etc. It is important to identify as many of these risk factors as possible.

To identify risks, you need to find, include in the list and describe its elements: the reasons why it may arise; impact factors that arise in this case; impacts that can affect the state of the enterprise; possible adverse consequences, their assessment; factors that affect the likelihood of a hazardous phenomenon, the amount of losses.

STEP TWO - Analyze

Competent analysis is the key to an effective management strategy. Once all possible threats have been identified, it’s time to dig deeper. Analyze and rate your risks by the simple scale of likelihood and impact. These steps allow you to get a holistic view of the dangers, to figure out where to direct maximum efforts.

An informed conducted threat analysis of an enterprise allows you to:
- to form a holistic picture of the dangers for making informed management decisions;
- to find alternative options for new technologies, projects;
- to justify the effectiveness of mitigation;
- replenish the database for making business decisions.

STEP THREE - Plan

Step three is to put together a plan for how you will handle that risks. Build up the plan from a number of component strategies

STEP FOUR - Treat the risk

Every risk needs to be eliminated or contained as much as possible.

This step involves the solution of technical issues, the implementation of the developed program. For this purpose: prepare all the necessary accompanying documentation; establish specific deadlines for the implementation of the designated activities; responsible persons are introduced to the program. When the activities stipulated by the program begin to be carried out, the risk management unit helps and advises the participants in the process.

STEP FIVE - Monitor

Conclusions: After conducting all the research, we figured out how to properly manage risks. We analyzed the complete risk management process and analyzed it using the example of a premium YouTube project. Identified what risk played a major role in the failure of the introduction of this project, which still does not bring profit to Google, and the data on the income of this project is hidden from the public.

The purpose of the research is to find out how to properly manage project risks. And find out what went wrong with YouTube premium based on risk analysis.
State aid – a risk mitigation mechanism or source of risk?
K. Soltysik

INTRODUCTION
The hallmark of any market economy is imperfection. There is no optimal economic system in the world that would be free from social inequality, fluctuations or unemployment. Market defects intensify especially in periods of economic instability. Far-reaching economic consequences of the current crisis resulted in many amendments to the state aid framework that will help recover from market stagnation.

LEGAL DEFINITION OF STATE AID
The concept of state aid should be interpreted in accordance with the provisions on European level. According to the article 107 paragraph 1 of the Treaty on the Functioning of the European Union (TFEU) state aid is “any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market’.

STATE AID RULES
- principle of transparency
- principle of proportionality
- principle of subsidiarity
- principle of cohesion

ASSESSMENT OF GOVERNMENT INTERFERENCE
The structure of the largest beneficiaries of public aid granted in 2019 is largely determined by the disproportions of support under the Sector State Aid that mainly focus on aid programs implemented in a given period. Therefore, it is not a direct result of privileging any specific entrepreneurs or groups thereof. These differences are justified by pursuing specific economic goals that aim to improve economic situation in the country and should not be considered as a source of threat to the internal market and competition.

CONCLUSIONS
State aid is one of the instruments of state intervention in the market and is intended to foster social and economic development. However, due to its controversial nature and relatively easy access to funds (e.g. de minimis aid), it should be granted in a very rational way that does not lead to any excessively negative consequences. Any possible violations of internal market mechanisms, especially the impact on economic freedom, respect for the freedom of enterprise and private property, should be compensated for by positive phenomena resulting from the aid granted. For this reason, it seems reasonable to use formalized procedures setting out detailed rules for the administration of public funds and control.

REFERENCES
The impact of COVID–19 on the international tourism market

Coronavirus is — the term Covid refers to a group of viruses with a similar microbiological structure to a viral bacteria. In our case, today’s society is dealing with a specific SARS-CoV-2 virus.

The epicentral outbreak of the new SARS-CoV-2 virus in the Republic of China, Hubei province, has spread to many other countries. The first case of the new coronavirus emerged on 17 November, according to Chinese government data reviewed by the South China Morning Post. On January 30, 2020, the WHO Emergency Committee declared a global health emergency based on the growing number of reported incidents in Chinese and international locations.

The situation in the international tourism market has already changed significantly at the end of 2019, before the travel restrictions were introduced. From the data given on the UNWTO official website dated July 20, 2020, it is obvious that the flow of tourists has undergone changes in the number of tourist trips of various nature and destination, as shown in the graph below.

In the first 10 months of 2020, the level of international tourism dropped by more than 70% and became equal to the level of year 1990, according UN World Tourism Organisation.

In 2019, the global tourism industry supported around 330 million employment positions, equivalent to 10.3% of total employment, i.e. one in 10 workplaces. The labor-intensive hotels and restaurants sub-sectors alone employ 144 million people worldwide. This includes about 44 million self-employed workers and 7 million employers. The pandemic is having a huge impact on the travel business and the income of its employees. Jobs directly related to the tourism industry such as visitor centres, hotels, catering, etc., are shown in the graph below.

Business activity in Europe showed a record drop in March due to measures to combat the spread of the coronavirus. According to IHS market estimates, the eurozone composite PMI fell from 51.6 points in February to 29.7 points in March and to 3.6 in April. More detailed data indicated that the rate of contraction of the eurozone economy approached 10%. After the lifting of quarantine restrictions, the PMI climbed from 11.6 to 30.5 points, including growth in the services sector from 12 to 28.7 points.

In the US, the composite index climbed to 36.4 points from 27 points from April, and the improvement was largely driven by the services sector, with the PMI rising from 26.7 to 36.9 points.

Tourism Back to 1990 Levels As Pandemic Halts Travel

Prior to the coronavirus outbreak, the global tourism sector had seen almost uninterrupted growth for decades. Since 1980, international arrivals have risen from 277 million to almost 1.5 billion in 2019. As our graph shows, the two biggest crises of recent decades - the SARS epidemic of 2003 and the global financial crisis of 2009 - were minor blows in the road compared to the COVID-19 pandemic.

The global COVID-19 pandemic will clearly result in substantial economic losses, and although it is impossible to predict exactly to which degree, it is still clear that the global economy will suffer. Already from the data collected in 2020 it is seen that global GDP has fallen by around 5 percent resulting in a loss from $8.7 trillion US dollars (2019) to $8.3 trillion US dollars. This of course cannot be blamed fully on the health crisis, but the damage done by a first April lockdown is still undesirable.

The UNWTO predicts that tourism may partially recover by the second half of 2021. But it would probably take 2.5-4 years to return to 2019 levels in terms of international arrivals.

It is predicted that financial markets will remain in an unstable position, mainly because of two factors: disruption of economic activity in relation to the epidemic, as well as device and manufacturing industries, which have taken a huge hit. The negative impact from the several factors is especially high on developed countries. Although as of now it is unclear if the current crisis will influence the structure of global economy in the long run, or if economic and financial spheres will mostly experience short-term effects. Whatever the outcome may be, there is no doubt that any transmittable illness, such as COVID-19, can possible cause significant losses in both global and regional economic systems. Necessary actions, such as trying to slow down the spreading of the virus, and reducing the impact in the areas which it has reached, have been exceptionally hard to implement and maintain. This justifies for institutions across the globe to take action and invest in developing the vaccine and making it accessible. Another collective goal is to instigate inhibitory proceedings such as advance the area of contact tracing and capacity building in real-time surveillance. It is conclusive that outbursts of the virus most definitely going to continue in the forthcoming times, it is crucial for proactive measures to be taken on an international level in order to protect the every person’s health and economic well-being.
The larger the organization the greater the risk

Organization is an interdisciplinary concept related to such areas as management, sociology, and psychology. It is a structured, i.e. somehow ordered system (whole) composed of four basic elements (subsystems): goals pursued by the organization, people, equipment, formal structure.

Risk in the organization and methods of combating and counteracting it.

The pandemic caused a freeze in world trade, which in domestic foreign trade was particularly visible in services, where exports in March dropped by 10.6% and imports by 14.7% compared to the previous year. Exports of goods fell by 7.5% and imports by 4.5% compared year on year. Entrepreneurs recorded very large drops in revenues, even by more than 40% compared to the previous year, among others in the production and sale of cars, production of clothing and footwear, accommodation and catering, travel agencies as well as culture, entertainment and recreation.

The larger the organization the greater the risk
A. Bałazy, K. Broś, M. Domalik
Pacanów is famously known for its connection with the fairy tale about the Silly Goat (Koziołek Matułek). Since 2005 there is a European Fairy Tale Center, which is visited annually by approx. 200 thousand of tourists per year. The building, which is a huge cultural and tourist center, dynamically operating and developing, contributes to the fact that the city has great potential in the development of tourism. However, relying on the development of only one facility in the region is highly risky. Apart from it, there is no infrastructure that could attract tourists for now.

On April 1, 2020, the structure of the current management board of the European Fairy Tale Center has changed. The current director, whose activities significantly affected the promotion of Pacanów on a national scale, influenced the tourist traffic in the city. The problem, however, was the lack of accommodation facilities, which was to be solved thanks to entrepreneurs who officially expressed their willingness to invest in hotel infrastructure. However, the dismissal of the current director from his position changed investors’ decisions. Moreover, the new structure of the management board of the European Fairy Tale Center raises questions about the future of the facility and the Children’s Culture Festival in Pacanów.

According to the data from the report, the tendency related to tourist traffic at the European Fairy Tale Center has been steadily increasing year by year, but last year (2020) it was stopped by the outbreak of the COVID-19 pandemic. In addition, on April 1, 2020, the structure of the management board of the European Fairy Tale Center changed.

According to the assumptions, the expansion of the European Fairy Tale Center will allow the creation of 19 new jobs, while the number of creation of 35 856 visits, which means almost sixfold decrease compared to the previous year. In addition, the pandemic delayed the opening of a huge investment - the “Akademia Bajki” Educational Park.

The tourism development was assessed in this study with the use of the Barlowe-Defert index and the accommodation density index. The values (0.39/100 and 0.23 accommodation places per 1km², respectively) clearly indicated the degree of the tourist development in the region, which showed the it is a destination with low tourist activity.

On the basis of data on tourist-related infrastructure, Pacanów does not meet the conditions for large investments in this region. Nevertheless, the European Fairy Tale Center has reached a great success so far and the factors do not clearly indicate the level of attractiveness of a given place in terms of tourism. The object has made Pacanów attractive for tourists without any accompanying base, so in consequences enriching the offer with a huge project should not be risky at all. The opening of the second part will significantly increase the number of visiting tourists. The daily capacity of the Educational Park “Akademia Bajki” is 2,000 people. The opening of “Akademia Bajki” is planned on July 4 this year. The only thing that could endanger this investment is further restrictions and an increase in infections caused by the pandemic, however recent statistics and actions to prevent the spread of the virus signals an approaching recovery.

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The purpose of the poster is to examine the problem of investing in large projects in small towns at the difficult time for the economy. For the example authors took the investment of the Educational Park, which is to be a part of the European Fairy Tale Centre in Pacanów.

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- Report on tourism in 2019 in Świętokrzyskie, Department of Promotion, Education, Culture, Sport and Tourism of the Marshal’s Office in Kielce
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INTRODUCTION

Nowadays, in order to develop enterprises, they are forced to constantly work on effectiveness and increase in competitiveness. They strive to do this by building knowledge and creating innovation. The process of creating innovations consists of: new concepts, conducting research and development works and implementing the developed solutions. An inseparable element is an increased level of risk and a high demand for capital. What are innovations and from what sources to obtain financial resources for them?

HE WHO DOESN’T RISK NEVER GETS TO DRINK CHAMPAGNE

Russian Proverb

As part of EU funds (2014-2020 financial period), Polish entrepreneurs could obtain grants from the Smart Growth Operational Program (SM OP), the Operational Program Eastern Poland (OP EP) and 16 Regional Operational Programs (ROPs).

Venture capital comprises medium and long-term investment capital. Its characteristic feature is a high degree of risk, which, however, may result in high profits in the future. It is mainly aimed at co-financing innovative investment projects. The most popular high-risk instruments include: Venture Capital, Private Equity and Business Angels. The difference between Venture Capital, Private Equity is based on the fact that the former co-finances companies in the early stages of development, and the latter covers co-financing at all stages of development. Thus, Private Equity also includes Venture Capital.

In 2020, PLN 2.1 billion flowed through the Polish venture capital market. It is the total amount of capital that Polish and foreign funds have invested in innovative enterprises. Despite the uncertain market environment, 2020 was the best in the history of the Polish startup scene. The increase in investments by 70% compared to 2019 shows that the ecosystem and the technological sector is an element of the economy that is resistant to the macroeconomic situation.

Let’s summarize

Looking at the risk of financing the innovative activity of an enterprise, it can be said that it is an inseparable element of development for an enterprise. It should also be noted that there are various problems that must be dealt with. However, it is worth making risky changes for the company’s innovation, because they bring benefits.
The risk of conflicts between residents and visitors in Cracow before and during the Covid-19 pandemic

OVERTOURISM - The influence on destinations caused by tourism which negatively affects the quality of residents’ life and on the quality of tourists’ experiences [UNWTO, 2018].

GENTRIFICATION - When it comes to tourist gentrification, the change in the residential function of tourist districts to short-term rentals is gaining in importance. This leads to the breakdown of the social network and the destruction of the socio-cultural network of the city. As a result, the quality of life of residents is rapidly declining and more and more of them decide to move to the suburbs of the city. The place of the residents is taken by tourists, who push out the current residents regardless of their status. The visitors do not identify with the local society and do not take responsibility for the urban space. The phenomenon is also difficult for the city authorities, because it disturbs the local social and housing policy [Chromy J., Kruczek Z., Walas B., 2019].

TOURISM CARRYING CAPACITY - The maximum number of people who can visit a tourist destination at one time without causing damage to the economic, physical and socio-cultural environment and not allowing a decrease in visitor satisfaction [Chromy J., Kruczek Z., Walas B., 2019].

The opinion of the residents of Cracow on the following topics, before and during the Covid-19 pandemic

Cracow should promote itself intensively
The city should run campaigns targeted at tourists
Tourists are welcome
Tourism drives the city’s economy
The city is a good place to live
Cracow should not promote itself any more
Tourists allow many locals to earn money
Tourists help to increase the city’s income
It is good that tourists come to Cracow
The city is well managed

In your opinion, is Cracow a better place to live now or before the Covid-19 pandemic?

Before pandemic 77% 
Now 23%

Bibliography:
- Chromy J., Kruczek Z., Walas B., 2019

Conclusions:
- Now more people think that tourism drives the city’s economy
- The number of people strongly opposing the reduction of the promotion of Cracow has decreased significantly
- The most varied responses appear in the question about the city’s governance - more people started to question whether the city is well managed
- 23% of respondents think they are better off now than before the pandemic (17% think this is because of fewer visitors to the city)
- 77% of respondents think they were better off before the pandemic (36% think Cracow was a better place with tourists)
- In summary, many residents still prefer a city with tourists - the risk of conflicts is not so high

Does the reduced number of tourists due to the Covid-19 pandemic have an impact on improving/deteriorating the quality of life in Cracow?

Yes 53%
No 47%

Test method: online survey
Research sample: 100 people
Test period: 4-7.05.21

Source of graphics:
- Logo of the University of Economics in Cracow: http://krakow.travel/548-krakow-universytet-ekonomiczny
- All charts made by authors in Canva
The risk of interventionism - opportunities, threats and public perception

Interventionism is the active role of the state in relation to the economy, which boils down to the systematic, orderly influence of the state on all economic processes.

Nowadays, the issue of state interventionism is more and more the subject of disputes among economists. The active participation of the state as a regulator or observer has a real impact on decisions made by economic entities. The word "interventionism" is almost exclusively associated with state interference in the economy. The state interventionism in question is a manifestation of the sovereign activity of the state and occurs in the form of normative acts. In terms of effects, however, it belongs to strictly economic categories. The aim of the poster showing the negative and positive sides, opportunities and threats of interventionism. Thanks to the data collected during the survey, the problem of the perception of interventionism by society was also raised. Empirical data was obtained as a result of our own observations by conducting a survey among students, working people and the older generation.

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The greatest popularity of interventionism

Do you know what the term "interventionism" means?

"Yes" 55.9%
"No" 25.5%
"I'm not sure" 14.7%

Consequences of government intervention in the economy

POSITIVE
- stabilization of the economy
- having complete data on resource use
- countering monopolies
- safeguarding the stability of essential sectors
- environmental protection
- limiting inflation
- price stabilization

NEGATIVE
- increase of unemployment
- restriction of individual freedom
- reduced economic efficiency
- lack of innovation and dynamics of the economy
- development of unprofitable activities
- suboptimal efficiency
- increasing government spending
- increase in the budget deficit

Please arrange in order how often do you think your country uses the following tools in the case of intervention?

References:
The risk of loss of financial liquidity of the company during a pandemic

What is the company's financial liquidity?
The company's financial liquidity is the ability to pay off current liabilities and to purchase goods or services.

Timely repayment of liabilities to suppliers, the ability to purchase goods and services, as well as the ability to pay salaries to employees are conditioned by financial liquidity, which is one of the basic criteria for assessing the company's operations.

Liquidity must be optimal as low liquidity may cause a decline in confidence on the part of financial institutions and counterparties. This can lead to bankruptcy. On the other hand, too much liquidity indicates that part of the working capital is frozen, and thus a decrease in the company's profitability.1

Other factors influencing the loss of financial liquidity during a pandemic are the social risk of the organization. This means a loss of trust, relationships and business partnership as a result of state intervention through the introduction of numerous restrictions.

How to protect the company against losing financial liquidity?

BEFORE THE PANDEMIC:
- Early response instruments should be used, which means portfolio diversification by:
  1. Real estate investments,
  2. Concluding new companies with other entities,
  3. Investments in shares (own or foreign),
  4. Currency trading,
  5. Activities in another sector of the economy.

DURING A PANDEMIC:
- For example, if we run a restaurant and its liquidity is threatened during a pandemic, we can maintain it by establishing cooperation with the fitness industry, where diets will be prepared.
- On the other hand, cooperation with the transport industry will consist in retail deliveries to physical customers and wholesale customers to large workplaces of meals prepared by us from a previously prescribed diet by dietitians. In this way, we will minimize losses on a large scale.
- Taking tourism into account, we can take care of translations and tutoring in history and geography.

Other factors influencing the loss of financial liquidity during a pandemic are the social risk of the organization. This means a loss of trust, relationships and business partnership as a result of state intervention through the introduction of numerous restrictions.

Conclusions:
Since the beginning of the pandemic in Poland and the entry into force of restrictions imposed by the government, the number of consumer bankruptcies and restructuring proceedings has doubled. After the analysis, we see the greatest threat to liquidity in the service sector of the economy. However, there are many options for safeguarding a company's liquidity before and during a pandemic. It is worthwhile for the Polish and world economy to learn from this lesson for the future.

References

Source: Own research

The risk of loss of financial liquidity of the company during a pandemic
A. Janczy, M. Kicmal
The risk of running a hotel business in the pandemic era

A. Grzybek

Abstract

The poster concerns the broadly understood risk of running a business in Poland. The author focuses mainly on the risks in the hotel industry. The poster indicates the significant impact of external risk, mainly a pandemic, on operational activities. A significant part of the substantive part is the presentation of the effects of COVID-19 on hotels. Difficulties of entrepreneurs in coping with the situation caused by the pandemic were stated. Alternative ways of overcoming the crisis in the hotel industry, state aid and problems that may lead to bankruptcy of enterprises were also presented. The poster aims to show the negative impact of external risk on the operational activity of companies in the hotel industry.

Introduction

When running a business, an entrepreneur must take into account the necessity to bear certain risks. Running a business is conditioned by many variable factors. The entrepreneur should assess the risks related to his business as accurately as possible and take appropriate actions to minimize them as much as possible.

We can distinguish two basic risks most often taken into account: market risk and individual risk. Market risk depends on the market conditions, both economic and political of a given country, as well as on climatic factors. This type of risk cannot be controlled in any way, not even partially. Individual risk is related to future events that are foreseeable and can be controlled in some way.

When it comes to economic activity, there is a lot of talk about economic risk. The entrepreneur, depending on the supply and demand, may achieve different results than planned. The entity must also take into account the currency risk, especially if it trades goods and services with foreign partners. Changes in exchange rates are possible, which will be unfavorable for trade settlements. In some situations, a change in the exchange rate may result in an increase in liabilities or a decrease in receivables converted into the currency of a given country.

The financial risk, which is related to the structure of financing sources for a given company’s assets, also has a large impact on the business. The fact of using external financing sources, i.e. suppliers of products and services and subcontractors, the number of employees dependent on the functioning of this industry reaches up to one million people.

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The situation of Poland compared to other countries

After analyzing a lot of information about the hotel situation in Europe and in the world, it can be concluded that the hotel condition in Poland is better than in other countries. It results from general limitations resulting from the pandemic, restrictions on transport and fears of Polish citizens about going to European resorts.

The entire broadly understood industry of accommodation services produces as much as 12 percent. GDP. The number of people employed in the hotel industry is several hundred thousand. If we take into account companies related to hotels - suppliers of products and services and subcontractors, the number of employees dependent on the functioning of this industry reaches up to one million people.

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The risks associated with cybersecurity in small and medium-sized enterprises

Cybersecurity states a group of issues related to providing protection in the area of cyberspace it is also the practice of protecting systems, networks, and programs from digital attacks. The term cyber risk might be connected with financial loss, disruption or damage to the reputation of an organization. Both large and small and medium-sized businesses are vulnerable to cyberattacks.

THE MOST COMMON CYBER RISKS:
- **Social engineering**
  - the psychological manipulation of people into performing actions or divulging confidential information
- **Ransomware**
  - malicious software that threatens you usually by denying you access to your data
- **Malware or malicious software**
  - software that was written with the intent of doing harm to data, devices or to people
- **Phishing**
  - an attempt to gain sensitive information while posing as a trustworthy contact
- **Hacking**
  - the activity of using a computer to access information stored on another computer system without permission, or to spread a computer virus
- **Data leakage**
  - leakage/loss of confidential company data
- **Insider threat**
  - a security risk that originates within the targeted organization

THE PURPOSE OF THE POSTER IS TO SHOW THE DANGERS ASSOCIATED WITH CYBERSECURITY AND TO PRESENT PREVENTIVE MEASURES

![Total Malware Infection Growth Rate (In Millions)](chart)

**PREVENTIVE MEASURES**
- **Encrypt The Data**
  - Encryption is essential for any online activity
- **Use Strong Password**
  - Stronger passwords enhance business security
- **Use Antivirus**
  - Anti-viruses are the sole option when your framework has been defragmented
- **Firewall**
  - The routing of your web traffic can be controlled
- **Update Operating Systems**
  - Updates enable you to remain a step ahead for your system security
- **Intrusion Detection Installation**
  - It will notify you when there’s an attempt of breaching on your framework
- **Backup Your Data**
  - Keeping a backup is vital in case any accident takes place
- **Access Restricted Information**
  - Restricting the company’s information is the liability that your data is in secure hands
- **Appoint Security Expert**
  - For the maintenance of your security system, hire a security expert.

Source on study based: [https://purplesec.us/resources/cyber-security-statistics/](https://purplesec.us/resources/cyber-security-statistics/)

Additional resources:
[https://www.icaew.com/](https://www.icaew.com/)
[https://akademia.parp.gov.pl/](https://akademia.parp.gov.pl/)
[https://www.dataversity.net/](https://www.dataversity.net/)
[https://purplesec.us/](https://purplesec.us/)
[https://www.tigergraph.com/](https://www.tigergraph.com/)
[https://goldensoncenter.uconn.edu/](https://goldensoncenter.uconn.edu/)

The risks associated with cybersecurity in small and medium-sized enterprises
J. Góral, K. Bruta, W. Dąbrowska
THE POWER OF TRUST IN PUBLIC ADMINISTRATION

There are some stereotypes about public administration, which affect the wrong perception of this institution. Trust is easy to lose, but hard to regain. So it’s really important to effectively manage the risk of losing trust in public administration by using the right tools, because it may change citizen’s point of view.

The purpose of this poster is to show that effective management of the risk of losing trust in public administration allows to reduce the negative factors that adversely affect the reputation of public administration.

Reputation is the opinion that someone or something has among people. It consists not only of objective opinions and views, but also judgments. Actions taken by the administration are monitored and assessed by citizens, which affects their trust in this institution and, consequently, the reputation of public administration.

The reputation of public administration may be damaged for example by nepotism, tardiness, cronyism, corruption and defraudation. To prevent these phenomena, it’s necessary to use effective management methods, that counteracts these factors, which in turn increases citizens’ trust in public administration.

As the research conducted by CBOS on a representative group of 958 adults shows, compared to 2018, in 2020 the percentage of respondents who trust in public administration officials increased from 54% to 61%. The rate of trust to local authorities grew from 65% to 74%. These results, thanks to effective management, are the highest among the so far recorded.

Citizens’ trust in public administration depends on a large extent on:
- Stable public authority
- Transparent, understandable law
- Trustworthy officials
- Effective management in public sector
- Less bureaucracy
- Easy access to public information


Olszewski B., Problem nepotyzmu w administracji publicznej, Acta Universitatis Wratislaviensis No 3109, Przegląd Prawa i Administracji LXXIX, Wrocław 2009

https://www.cbos.pl/SPISKOM.POL/2020/K_043_20.PDF

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https://creazilla.com/pl/nodes/7571-lucznik-clipart

https://www.pngegg.com/pl/png-wspkg

https://www.vecteezy.com/png/1188825-fireball

https://www.pinterest.co.kr/pin/319544536062682181/

https://pl.postermywall.com/

https://psp.pwn.pl/slownik/reputacja.html

In conclusion, effective management of the risk of losing trust in public administration is extremely important. Taking appropriate actions allows to build a good reputation for this institution.
Pandemic hit HoReCa sector the most. Right after the global pandemic started, all entrepreneurs had to adapt to the new situation and overcome numerous obstacles. Their situation was changing day by day, and they had to get used to new restrictions immediately to keep their businesses alive.

As far as we consider only the food-related part of this economic sector we have to focus on risks, consequences and changes that they had to get through to survive.

**Risks associated with global pandemic in food-related businesses:**
- Restaurant closure / delivery or take-away only
- Uncertainty about the future
- Delivery disruption
- Oversupply
- Administrative limitations
- Increase in cost

As we can see, there are many obstacles that HoReCa sector encounters nowadays. However, that does not mean that this economic sector has been completely eliminated, as many businesses do their best to offer take-away food to their clients.

**REFERENCES**

- “Rok po wybuchu pandemii koronawirusa – jak sobie radzą restauracje, kluby i hotele w Polsce? [RAPORT]” - Brief.pl, 12.03.2021
- “Działalność usługowa związana z wyżywieniem (PKD 56)” - Raport Brązowy Boś Bank - bosbank.pl, 12.04.2021
**WHO IS YOUR CUSTOMER?**

*The risk of choosing the right market for a startup.*

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**Step 1: Market Segmentation**

**GOAL:** Finding the markets that best fit your startup idea.

**WAY:**
1. **Brainstorm.**
   - Find as many market opportunities, potential customers, solutions as possible. Don’t be afraid of crazy ideas!

2. **Narrow.**
   - Limit yourself to the 6-12 most interesting market opportunities. Concentrate on the end user when conducting your research.

3. **Primary market research**
   - The market opportunity you are looking for is related to something that does not yet exist, so you will not find ready-made analyzes of it. Conduct research in which you focus on direct contact with the client.

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**Step 2: Beachhead market**

**GOAL:** Finding ONE beachhead market to grow your startup on.

**WAY:**
- Start collecting data on your target customer. Find the user most relevant to your startup who will be your persona. **Focus on a uniform demographic showing similar characteristics and needs.** Build your action plan based on the client’s needs.

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**Step 3: End user profile**

**GOAL:** Create a detailed end user profile.

**WAY:**
- Choose ONE most important area of activity, focus on it and forget about others. This is not the end of the analysis! You can only complete the segmentation process when the chosen market opportunity meets the **3 market-defining conditions.**

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**Step 4: TAM**

**GOAL:** Calculate the total addressable market size for the beachhead market.

**WAY:**
- Reliably calculate the dimensions of the TAM in accordance with the realities.

\[
\text{TAM} = \text{number of end users} \times \text{annual revenue per user.}
\]

Based on the results, select the appropriate market. Remember that it should not be too large, as this may result in a shortage of resources needed to compete in the market.

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**Step 5: Persona**

**GOAL:** Defining the persona for the beachhead market

**WAY:**
- “persona” the best representative of the most important customers

Now focus on the most important goal - you need to meet the needs of the target customer, who becomes a specific person, not a set of traits. In your work on a persona, you are able to find a real person matching your profile. Try to get to know and understand it thoroughly. Information obtained during the primary market research as well as further direct contact can help. Introduce the persona to your team so they can all pursue the same goal.

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Bibliography: “Disciplined entrepreneurship” Bill Aulet

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Who is your customer? The risk of choosing the right market for a startup

K. Jasnosz
Will QE crush us?

The authors explain the term QE and the issues related to it. The aim of their deliberations is to identify the risks of the introduction of QE in the economy for companies.

What is QE?
Quantitative easing is a form of monetary policy which involves the purchase of large amounts of securities in order to stimulate economic growth and improve financial markets.

Potential effects of QE
Due to the increase in funds available to banks through the purchase of their assets by the central bank, banks may be encouraged to take more money from the central bank. Consumers and firms are more likely to take on new credit commitments when interest rates are low.

An increased money supply causes inflation. Competition for access to products increases because there is more money in circulation and the supply of goods will not increase. QE assumes that commercial banks will use the money received from the central bank to offer more credit, but banks are not obliged to do so.

The effects of QE in examples
QE measures have not alleviated the financial problems afflicting the Japanese economy. Despite the Bank of Japan's efforts, Japan's gross domestic product fell from about $5.45 trillion to $4.52 trillion between 1995 and 2007.

The US central bank, after the financial crisis erupted in 2008, pushed about $3 trillion into banks. The economy recovered, but a comparison of the US situation with Canada, which did not use QE during this period, did not show significant differences.

In the Eurozone, the effects of QE in 2017 were stable inflation, a general fall in unemployment and a strong economy, but also low wage growth and rising interest rates.

Uncertain impact of QE
Based on the examples of the US, Japan and the euro area presented, the effects of QE on the economy cannot be clearly determined. The long-term consequences are not sufficiently clear, and the effects resulting from QE can be quite different depending on the economic situation of the country in question.

References:
Reis, Ricardo. Funding: quantitative easing in larger inflation., 2016.
Strategy plays an important role in a company (just like in life). A very important thing in the development of any company is the ability to move in the market and the skilful use of existing resources (such as human resources or technology), opportunities and possibilities. Every move is related to risk, therefore it should be professionally prepared and well-conceived, otherwise it may have irreversible effects. Depending on what move the entrepreneur makes, this is the future for his enterprise.

The objective of management is to mitigate risk and to protect against its consequences.

Figure 1: Main types of risk

- External factors
- Business management
- Human resources
- Operational factors
- Crime/security
- Technological risks

Every business, in order to achieve planned results, takes risks. The free market creates both opportunities for profits and risks of losses. Risk is a combination of many internal and external factors influencing a company’s decision-making. Businesses should take risk into account in their business activities, as trying to eliminate it completely would mean having to give up on any business venture. The following illustration shows the key benefits of good corporate risk management.

Maximising profits and minimising costs
- Reducing uncertainty in the management of the entity
- Reducing or eliminating the risk of bankruptcy
- Ensuring continuity of production and market circulation
- Promoting a good corporate image

References: