

# 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  
Janusz Nesterak  
Agata Niemczyk  
Zofia Gródek-Szostak



**Knowledge  
Economy  
Society**

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of the College of Management and Quality Sciences

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in enterprises and local  
government units**

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# Introduction

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*

**Tourists' consumer behaviour in Cracow's catering industry before and during Covid-19 (2019-2020)**

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 (Czarnecka-Skubina, Gluchowski, 2018). This is consistent with the definition of J. Sala about gastronomy: "it is an organized economic activity, which consists in satisfying the nutritional needs of consumers" (Sala, 2004). According to other researchers, gastronomy is changing more and more nowadays, e.g. Czarnecka-Skubina emphasizes that apart from basic functions, others are added, e.g. home delivery or take-out (Czarnecka-Skubina, 2008). Moreover, for today's tourists, the varied gastronomic offer is not only an addition to the trip, but an essential part of it (Dziadkowiec, 2014). As a result, gastronomy is one of the most important elements of tourism development (Milewska, Prączko, Stasiak, 2014).

The purpose of the presentation is showcasing changes in consumer behaviour of tourists considering Covid-19 pandemic. The research covers the years 2019-2020 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.

**Consumer profile - own research results**

The research was conducted in Kraków in April 2021 in the group of 83 people that visited Cracow in 2019 and 2020.



- Mostly women (88%)
- Average age - up to 25 years (84,3%)
- Financial situation - average (50,6%) or good (36,1%)
- Secondary (49,4%) and higher (47%) education

**Consumer behaviour**

M.R. Salomon considers consumer behavior to be the process of selecting a product, accepting or rejecting, buying and using (Salomon, 2006). In turn, the definition of T. Zalega says that consumer behavior is a set of activities and processes related to making choices in terms of meeting individual needs; purchase of products or services that will respond to emerging needs. J. Szezepański defines consumer behavior as all activities aimed at obtaining a means of consumption, choosing it, and then using and handling it. The decisions and choices made by the consumer are related to the conditions that create his environment: social, economic and cultural (Dziadkowiec, 2014).

- Tourists from large cities over 500,000 inhabitants (31,3%) and cities up to 100,000 (34,9%)
- Mostly students (61,5 %)



**What influences the rating of the premises?**

Over 50% of respondents evaluate the restaurant based on the appearance and taste of the dishes. For 16%, the service of the local area is of the greatest importance, for 13%, the price has the greatest impact on the rating of the premises, and for 11% - atmosphere in the restaurants

Over 3/4 of the respondents use technological facilities to place an order

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

- 40% order food over the phone
- 39% places orders via the application, e.g. Pyszne.pl, Glovo
- 21% order via the restaurant's website

75,9% of the respondents did not give up on catering services due to the pandemic risk in 2020

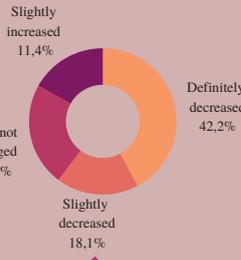
**Changes in tourists' behavior and impressions in 2020 and 2019**

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, the vast majority (67.5%) do not agree with this statement.

Only 19.3% of respondents visited a similar number of eateries in 2020 compared to 2019. 80.7% claim that it was a much smaller number.

Most of the respondents claim 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 regime. 6% of the respondents preferred not to tell.

More than half of the respondents (51.8%) felt as safe in 2020 as in 2019 while staying at a restaurant. 31.3% disagreed and 16.9% claimed it is difficult to say



**How has respondents' expenses on catering services changed in 2020 compared to 2019?**

**Things that were important for customers in 2020 that were not taken into account the year before**

**Related to hygiene**

- disinfection after each client → 36,1%
- keeping the distance between customers → 28,9%
- obligation for personnel to wear masks → 21,7%
- availability of disinfectants → 21,7%
- obligation for clients to wear masks → 14,5%

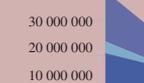
**Related to the offer**

- free delivery option → 53%
- electronic menu → 37,3%
- special/new promotions → 32,5%

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.

**Operation of premises in the Old Town in May 2020 (Grochowicz M., 2020)**

- open (26,5%)
- closed (71,2%)
- renovation (2,3%)

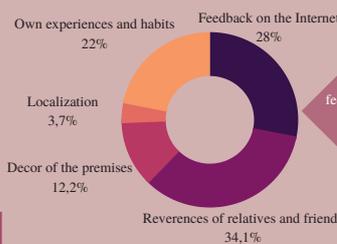


The total number of visitors decreased by 43%

The number of domestic visitors dropped by 34%

The number of foreign visitors decreased by 72%

**The main factors influencing the choice of a gastronomic establishment**



Every third respondent is guided by the opinion of their relatives when choosing a place to eat.



28% of them check feedback on the Internet, e.g. on Instagram or Tripadvisor



22% of respondents are guided by the experience and habits of particular restaurants and other similar places

**Comparison of 2019 and 2020**

2019

2020

**Form of consumption**

91% of respondents consumed on the spot  
9% of respondents preferred to take away or with delivery

5% of respondents consumed on the spot  
95% of respondents preferred to take away or with delivery

**Payment method**

37% of respondents paid by cash  
37% of respondents paid by card  
5% of respondents paid by phone

5% of respondents paid by cash  
56% of respondents paid by card  
33% of respondents paid by phone

**The group**

44% of respondents in group to 5 people  
27% of respondents with a companion  
13% of respondents in group more than 5 people  
5% of respondents alone

17% of respondents in a group to 5 people  
56% of respondents with a companion  
1% of respondents in a group more than 5 people  
12% of respondents alone

**Motivation**

70% of respondents: meetings for social purposes  
9% of respondents: exploring new places  
9% of respondents: exploring new cuisine or culture  
6% of respondents: meeting physiological needs

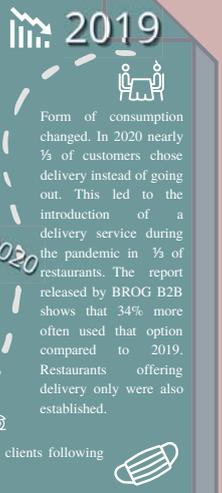
17% of respondents: meetings for social purposes  
10% of respondents: exploring new places  
10% of respondents: exploring new cuisine or culture  
55% of respondents: meetings physiological needs

**Catering industry owners vs. COVID-19 - case study**

There was more than 60% less proceeds (even 90% in some cases) in 2020 compared to 2019, as confirmed in the Business Insider (Wąsowski, 2020) article as well as the report regarding the economic situation (Central Statistical Office, 2020). The number of clients 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 cooperation with Pyszne.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 amount of restaurants during the pandemic. For example, the number of premises using Uber Eats increased by 188% in just 3 months (Szymaniak, 2021).

Owners claim that nearly 100% of clients following the restrictions during pandemic!



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*Koniułkura w przetwórstwie przemysłowym, budownictwie, handlu i usługach 2000-2020 (grudzień 2020)*, GUS, 32-33  
*Tourist gastronomiczny w Polsce - Raport 2020*, BROG B2B

## Business environmental risk

Business environmental risk is a type of risk related to the environment in which the company operates, it includes random events and activities beyond the control of the entity. The degree of intensity of individual threats depends on the type of industry.

**Purpose of the poster is to show the importance of environmental risk in the aspects of technological risk, including cybersecurity, epidemics, and natural disasters.**

### Technology

Refers to any risk of financial loss, disruption or damage to the reputation of an organisation as a result of the failure of its information technology systems. Cyber risk is a subset of technology risk, which is the potential for any type of technology failure to disrupt a business.

### Cybersecurity

The body of technologies, processes, practices and response and mitigation measures designed to protect networks, computers, programs and data from attack, damage or unauthorized access so as to ensure confidentiality, integrity and availability.

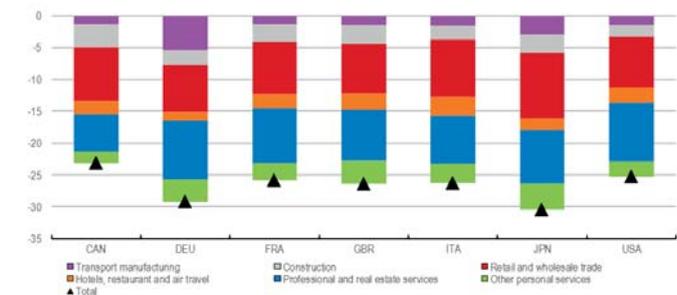
- 25% of all cyberattacks in the world take place in China. The USA is in second place with a nearly 10% share, and third, slightly further, is Brazil.
- The global cost of hacking attacks in 2018 exceeded \$ 600 billion, which is nearly 1% of global GDP.

### Epidemics

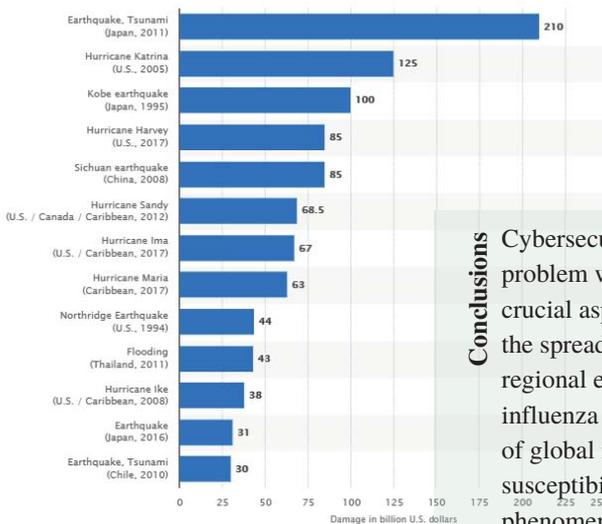
Can cause irreversible changes in enterprises, significantly worsening the condition and even leading to their collapse. In order to combat the impact of the epidemic's effects on economic units, the following are used: general isolation, limitation of economic activity, remote work, increased use of digital communication technology, rapid change in the directions of supply chains.

Figure 1. The potential initial impact of partial or complete shutdowns on activity in the G7 economies

Per cent of GDP at constant prices



The 10 biggest natural disasters worldwide by economic damage from 1980 to 2019 (in billion U.S. dollars)



### Natural disasters

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.

### Conclusions

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  
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Environmental risks: cyber security and critical industries, 2020  
<https://www.mbank.pl>

Cracow 2021

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.



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## 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.

The aim of the poster is to show the types and significance of risk and ways of managing 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 (CSR) with its' principles, way of implementation and example based on risk management and application CSR in Walmart Supercenters

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

#### 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 expectations of stakeholders;
- is under applicable law and consistent with international standards of conduct;
- 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 by indicating how to avoid risk. CSR is a key part of the risk management process, which consists of identifying the relevant risks, determining their impact, and indicating the measures that need to be applied to reduce the probability of risk occurrence and its 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 relationships better and can create more informed and effective policy of social responsibility.



#### 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. Increased expectations and needs of various groups of stakeholders create additional threats for the organization, related to their satisfaction and, at the same time, taking care of their own needs. The social problems faced by enterprises also relate to the lack of an appropriate organizational culture from which everyone learns ethical and environmental sensitivity. 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 that is built into the strategy and is applied throughout the company. It leads to identifying potential problems that may affect the organization and providing safety to achieve the organization's goals. Risk management involves several activities:

- risk identification;
- creating a list of potential problems;
- assigning scales to the identified risks;
- developing a risk management program;
- evaluation 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;
- ❖ labor practices;
- ❖ environment;
- ❖ fair operating practices;
- ❖ consumer issue;
- ❖ community involvement and development.



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 is one of the world's largest retailers. Walmart's invested in education, health, committed to fighting hunger, supported local farmers and access to healthier and affordable food. In 00's Walmart faced two social responsibility conflicts: allegations of discrimination against female employees in term of gender (salaries, top managerial position promotions) and allegations of using child labour in two factories in Bangladesh. After those scandals, in 2006, Walmart's set up Report on Ethical Sourcing, which includes suppliers, customers and associates. The first one reported that Walmart had stopped doing business with 141 factories, primarily because of underage labour violations. The report also contains a chart with the main violations found during the audits. Since then Walmart publishes this report annually.

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## CORPORATE SOCIAL RESPONSIBILITY VS THE RISK MANAGEMENT

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.

### STUDYING THE IMPACT OF THE IMPLEMENTATION OF A SOCIAL RESPONSIBILITY STRATEGY ON DIFFERENT KINDS OF RISK FOR AN ORGANIZATION

#### Taking a new initiative in the CSR



The brewery in Elbląg, 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.

#### Taking a new initiative in the CSR



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

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## What are cryptocurrencies?

Cryptocurrency is a digital asset designed to work as a store of value and a medium of exchange<sup>1</sup>. 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 painful 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.

## AIM

The main purpose of this poster is to raise the issue of investing in cryptocurrencies. The poster contains favorable data for investing in cryptocurrencies as well as the risk of investing capital in such an unstable market.



## 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 "Dai". 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 kryptocurrency. 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 cardan 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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Coinbase App

## 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.

## OBJECTIVE

**Currency risk and its impact on corporate finance. Strategies for its mitigation.**

### 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

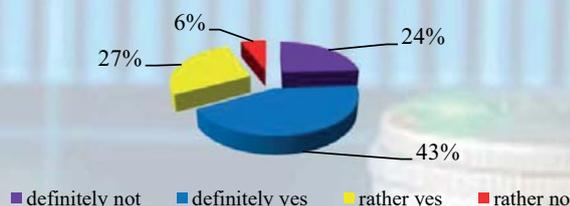
- Forward Contract - the parties to the transaction agree to buy/sell a specific amount of a currency at a predetermined future date at a predetermined rate.
- Currency option - one party to the transaction, for a specific remuneration, acquires the right to purchase/sell a specific amount of currency 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.

## SURVERY RESEARCH

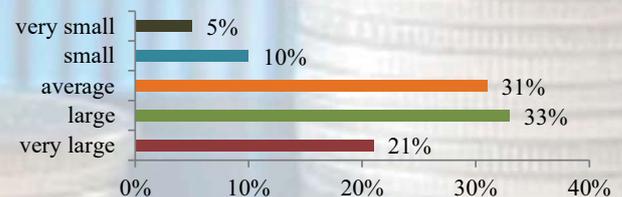
In 2003 a survey was conducted by UITM IG and the UITM Chair of Banking and Finance in Rzeszow. More than two-thirds of companies see a threat to their business from changing exchange rates. Almost 43% of the enterprises surveyed definitely perceive that they are exposed to foreign exchange risk and 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.

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.

Is the company exposed to foreign exchange risk



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



## 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 management in enterprise

## 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 management, risk management involves optimizing 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 outcomes. The hedging is done when the firms uses financial derivatives whose value is derived from the underlying assets. The available 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

Parameter	Call Premium	Put Premium
Exchange Rate	As exchange rate increase call premium also increase	As exchange rate increases put premium decrease
strike rate	As strike rate increase call premium decreases.	As strike rate increases, economy increases, value of Put option decreases.
Risk free Interest Rate	As the Interest rate in the economy increases, value of Call option increases	As the Interest rate in the economy increases, value of Put option decreases
Time to maturity	Call & Put options become more valuable as time to maturity increases, it's because of risk as the time increases	
Volatility	As volatility increases there is high degree of uncertainty about the rate of the currency and hence on the option. The owner of the call benefits from the rate increase and that of the put benefits from the rate decreases	

Amid times of turmoil, currency appreciation/ depreciation and weak currencies across markets over business sectors and the outskirts are regularly becoming a deciding factor for the success of an MNC's performance. To adequately avoid the aforementioned risks a firm first needs to define and quantify the risk as to learn to what extent it is exposed to those risks, regularise and monitor this by imparting it to the reporting system and become accustomed to formulation of strategies by hedging exposure to mitigate the risks identified. However, after a company has identified the level of exposure to the risks and level of cruciality of each risk, it can hedge by opting for operational and/or financial strategies, and must have to deal with the cost-benefit ascertained as well as the operational implications. As we had discussed throughout all of the above are of significant weights in deciding an MNC's success either in terms of profits or operationally.

## RISK MANAGEMENT

Risk management strategies can only work for companies when they have a proper framework or structure they follow. A framework will act as a skeleton and give the total enterprise risk management strategy a proper guideline with steps to follow.

There are a number of working definitions of enterprise risk management, there does exist some consensus regarding what the purpose of ERM is: firm's take a portfolio view of risk instead of managing in silos, they take into account strategic and more qualitative risks, and the focus is not solely on the downside of risk but also opportunity. The move from silo organized risk management to more integrated risk management is one of the characteristic features of ERM. And while strategic and qualitative risks were always managed by someone, as Douglas Barlow said "all management is risk management", ERM prescribes that these risks be managed with all other firm risks holistically.



## STAGES OF THE RISK MANAGEMENT PROCESS

1. Defining the purpose of risk management
2. Risk identification
3. Risk assessment
4. Choosing a risk management method
5. Monitoring



## MODEL 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
- Provides assurance senior management of security to a reasonable degree
- Can be adapted to the needs of the whole organization as well as each department, unit or process



The image of the cube shows the relationship between all the parts of an effective internal control system.

The columns are the three objective categories (operations, reporting and compliance). The rows consist of the five components.

### 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 contexts, where all external and internal elements of risks are considered to define the scope of the company's risk management process
- Monitoring and reviewing the risk, where the performance of a company's risk management strategy and implementation is compared against certain indicators to see the effectiveness of the strategy and any gaps that may be found in it.
- Communication and consultation for risks, where stakeholders are informed of all the risk management processes in the company to explain the thoughts behind the decisions made for mitigating and treating risks

### FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk that the value of liabilities and receivables denominated in foreign currencies fluctuates unfavorably 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
- speculation in the foreign exchange market • operations of central banks

### TYPES 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.

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## CYBERSECURITY

### Understanding and managing the risk

Attacks on IT systems, telecommunications and production are no longer of interest only 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 cyberattack. 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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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.

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.

The aim of the poster is to present the economic risk in gastronomy on the example of data on the functioning of catering establishments in the COVID 19 pandemic.



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.

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, 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.



Source: Own elaboration based on „Bisnode Polska” data

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[https://www.horecatrends.pl/gastronomia/114/blisko\\_30\\_proc\\_lokali\\_gastronomicznych\\_moze\\_nie\\_przetrwac\\_kryzysu.6184.html](https://www.horecatrends.pl/gastronomia/114/blisko_30_proc_lokali_gastronomicznych_moze_nie_przetrwac_kryzysu.6184.html)  
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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.



## EFFECTIVNES OF BLOCKCHAIN IN ENTERPRISE

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 job 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

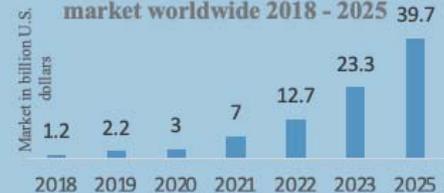
If someone would control 51% of network hashing power, one would be allowed to disrupt the network.

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 39.7



Source: <https://fortunly.com/statistics/blockchain-statistics/#eref>

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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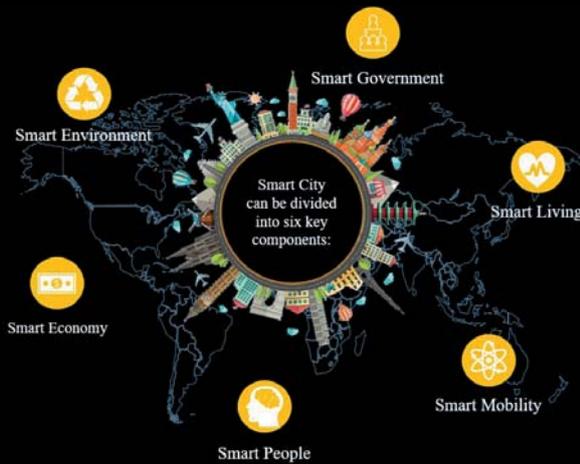
<https://nbygarage.org/blog/how-blockchain-works>  
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## ENVIRONMENTAL RISK (CYBERSECURITY) IN THE WORLD OF „SMART CITY” IN SELECTED CITIES OF THE LESSER POLAND VOIVODESHIP



### 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.

### Three key factors influencing cyber risk in smart cities:

**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.

**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.

**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.

### 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.



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

CITY	WEIGHTING OF EVALUATION CRITERIA	Singapore	London	Cracow	Tarnow
<b>CRITERIA</b>					
Convergence 	0,4	4	4	2	2
Interoperability 	0,3	5	4	2	1
Integration 	0,3	5	4,5	1	1
Average grade		4,6	4,15	1,7	1,4

Source: own study.

<https://www.kaspersky.com/resource-center/definitions/what-is-cyber-security> (21.04.2021),  
[https://www2.deloitte.com/content/dam/Deloitte/de/Documents/risk/Report\\_making\\_smart\\_cities\\_cyber\\_secure.pdf](https://www2.deloitte.com/content/dam/Deloitte/de/Documents/risk/Report_making_smart_cities_cyber_secure.pdf) (15.04.2021),  
[https://www.researchgate.net/publication/306046857\\_Everything\\_You\\_Wanted\\_to\\_Know\\_About\\_Smart\\_Cities](https://www.researchgate.net/publication/306046857_Everything_You_Wanted_to_Know_About_Smart_Cities) (20.04.2021),  
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[https://www.researchgate.net/publication/282733964\\_Smart\\_City\\_Concept\\_-\\_The\\_Citizens'\\_Perspective](https://www.researchgate.net/publication/282733964_Smart_City_Concept_-_The_Citizens'_Perspective) (21.04.2021),  
<https://www.theirm.org/what-we-say/thought-leadership/cyber-risk> (21.04.2021).

The most important informations about financial risk based on Dun & Bradstreet.

Poster's purpose is to define the financial risk based on the Dun & Bradstreet's activities.

## 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 WORLDWIDE NETWORK

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.

The picture shows main activities of Dun & Bradstreet.



Source: <https://www.dnb.com/solutions/finance-credit-risk.html>

## 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.

## FINANCIAL RISK MANAEMENT 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. Dun & Bradstreet examines its clients in two dimensions: before starting cooperation and in the ongoing financial analysis of clients.

The most frequently used risk measurement methods by the company include: price variance analysis, analysis of rate of return deviations, analysis of the security level, analysis of the level of aspiration and value at risk.

### Using Dun & Bradstreet solutions to identify risk:

- you will determine the opportunities and risks resulting from undertaking specific cooperation,
- you will create an accurate and precise business plan,
- you will quickly make strategic decisions,
- you protect the company against losses.

## REFERENCES

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2. Jajuga, K. (2018). *Zarządzanie ryzykiem*. Warszawa: Wydawnictwo Naukowe PWN
3. Dnb.com

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.

### Market Risk

risk of losses in, on and off-balance sheet positions arising from adverse movements in market prices

### Operational Risk

likelihood of incurring a loss due to the negative effects of procedures, systems or policies in a business or technical failures, fraud activity and employee errors

### Credit Risk

probability of failing to pay to a creditor (a bank or a lender) or another party (a supplier)

### Liquidity Risk

business or financial institution cannot meet its short-term debt obligations. Entity might not be able to convert asset into cash<sup>3</sup>

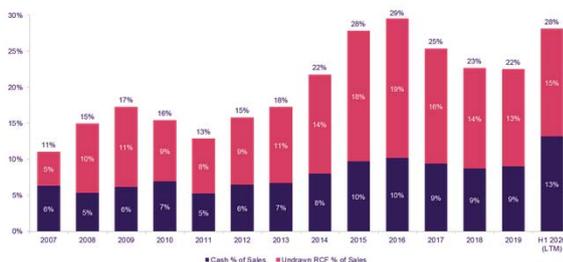
### Study Area

Financial Times Stock Exchange 100 corporates corporate finance and risk outlook for year 2021<sup>1</sup>

### 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<sup>2</sup>

### Liquidity position of FTSE 100 corporate through time



Source: ci.natwest.com

### Methods of Managing Financial Risks

- identify and measure the risks
- decide on the level of risk willing to accept
- review financial arrangements with creditors
- diversify your income sources
- regularly reassess your risks

### 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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- <sup>3</sup><https://www.staffordglobal.org/articles-and-blogs/finance-articles-blogs/what-is-financial-risk-management/>
- <sup>4</sup><https://insights.nordea.com/en/business/how-to-manage-financial-risk-when-starting-and-growing-a-business/>



## FINANCIAL RISK OF INDITEX COMPANY IN THE PANDEMIC ERA

Barłóg Martyna  
Brach Weronika  
Dańczyńska Alicja

**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.

**Systematic Risk** is the risk that can be related to a number of economic and socio-political factors, such as inflation, interest rates, wars, natural disasters and major changes in government policy.

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

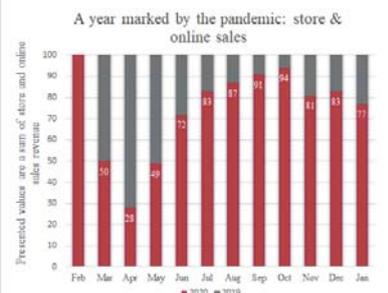
In terms of profits, 2020 for Inditex was the worst in 15 years. The clothing giant, among others, reported a profit of €1.106 billion - as much as 70% less than a year earlier. It is also the lowest result since 2006 when the company generated an annual profit of €1.002 billion. Sales fell to the level 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.

The breakdown of profit before tax by concept:

Concept	2019	2020
Zara & Zara Home	3,370	971
Pull&Bear	301	95
Massimo Dutti	282	62
Bershka	349	113
Stradivarius	300	117
Oysho	70	43
Uterqüe	9	1
	4,681	1,402



Number of stores by concept:

Concept	31.01.2020	31.01.2021
Zara	2,025	2,142
Zara Kids	93	128
Zara Home	535	596
Pull&Bear	873	970
Massimo Dutti	677	754
Bershka	1,005	1,107
Stradivarius	936	1,006
Oysho	600	677
Uterqüe	85	89
	6,829	7,469

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.

<https://www.inditex.com/>  
[https://www.inditex.com/documents/10279/648175/2020\\_Results\\_v2.pdf/270b31a8-def3-c53e-73a9-91200087e0d2](https://www.inditex.com/documents/10279/648175/2020_Results_v2.pdf/270b31a8-def3-c53e-73a9-91200087e0d2)  
<https://www.investopedia.com/terms/f/financialrisk.asp>  
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<https://academy.binanc.com/pl/articles/financial-risk-explained>

## Funding opportunities for startups in Poland

Funding Opportunities for startups in Poland

Poster explains what kind of financing opportunities exist for startups in Poland

# Funding opportunities for startups in Poland

## Funding opportunities for startups in Poland

Startup ecosystem in Poland has been growing very fast in recent years. In larger cities, new innovative zones are being created where entrepreneurs can develop their network and realize new ventures. As the popularity and awareness of startups grows, so do the possibilities for financing.

In Poland, financing can be divided into several categories, namely:

- Equity
- Venture Capital funds
- Private equity funds
- Funding and grants
- Loans and credits

### Venture Capital funds

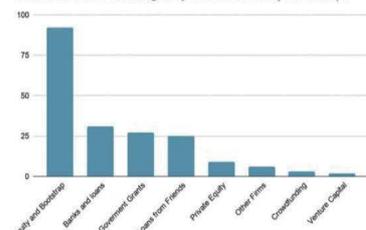
In the case of Venture Capital funding, this is the money received from the Venture Capital fund. These funds deal with investments in innovative companies at the beginning and during their operations. These are medium and long term investments with very high risk and failure rates. In the case of success of this type of enterprise, the return on investment ends up with several times more invested capital. The investment usually involves the sale of shares to a fund. Very often apart from the capital, funds of this kind also offer substantive support, make their contact network and know-how available. According to the PFR report on Venture Capital Funds on the Polish market in 2020, there were 158 funds which financed 300 companies with the total amount of PLN 1.7 billion. This is an increase of 70% compared to 2019, which means that this sector is growing very dynamically.

### Crowdfunding

Crowdfunding is another way of obtaining money for a start-up, where the founder describes the idea of their start-up on, for example, a fundraising website. Those, who are interested in this idea, can donate money to help the start-up.

This method of financing can reach many potential donors with the help of the Internet, for Polish start-ups on websites such as [wspieram.to](http://wspieram.to) and [polakpotrafi.pl](http://polakpotrafi.pl).

Which sources of funding did you used to fund your startup?



Research shows that startups in Poland use multiple sources of funding. The main and dominant source is own savings, as it is the fastest way to launch a company. Many startups also take advantage of grants and loans, which allows them to significantly accelerate their growth. Unfortunately, at this point, despite many Venture Capital and Private Equity funds, it is not a popular form of financing. It also has some limitations and is dedicated rather to bigger startups, while the scale is very small.

## Equity

According to a study conducted by PARP as many as 92% of startups use equity to establish and run their startup. This is the easiest and fastest way to startup, but it also has many disadvantages. In most cases, the capital is limited, especially for people who have not run their own business before. Despite the lack of formal restrictions and requirements related to the possibility of using equity, it is often a challenge for new entrepreneurs to separate corporate and private capital. Startups by nature have a high risk of failure, making this financing a very high risk exposure. On the positive side, however, the potential for loss is also reduced.

### Polish Agency for Enterprise Development

Polish Agency for Enterprise Development (Polska Agencja Rozwoju Przedsiębiorczości) is a national organization that supports development of small and medium-sized companies.

A start-up can apply for money from this organization. This money comes both from government funds as well as from the European Union funds.

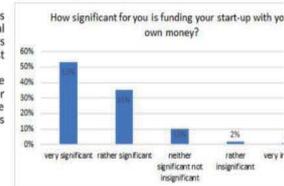
However, in a survey done in 2017 among 104 Polish start-ups, only 26% of the survey were familiar with the possibility of funding from the Polish Agency for Enterprise Development, 87% answered that they never used money from the European Union fund and over 50% said they wouldn't apply for European funds.

### Bootstrapping

The method called bootstrapping means creating a start-up without any outside financial help. The money only comes from the founders of the start-up, their savings and from their first sales, earnings.

In this way of financing, even though the start-up is launched without investors or outside money, the company can still use financial help in later stages of the start-up's development.

In the survey done in 2017 among 104 Polish start-ups, the below percentages of start-ups said how significant was financing their company with their own funds:



## Summary

There are many opportunities for startup funding in Poland. We are a country where the startup sector is developing very strongly and quickly. Many young people choose their own business instead of a full-time job, which is possible thanks to great support from the government, good universities and entrepreneurship and innovation zones where aspiring entrepreneurs can meet others and grow. Revolutionary research or innovative ideas are most likely to happen in such places. Mostly the first choice, which is also the easiest one, is to fund it from your own savings. It is also very common for Poland once the first prototype of a product or service is created, to use loans or government support to fuel their business. Loans from family or friends are also common, of course not everyone has such opportunities, but in Poland it is also quite a popular means. Funds such as Venture Capital or Private Equity, despite their very dynamic growth, are not so popular at the moment. This is also due to their very complicated procedure and recruitment. These funds also choose only the best ideas that have already been proven on the market and have great potential. These are also multi-million amounts, which makes them chosen rather than the further way.

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## Going concern threats based on LOT Polish Airlines

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.

- **Strikes and staffing difficulties**

*Does it happen in LOT?*

Due to workers' strikes in 2018, the company had to cancel about 215 flights, which cost around PLN 60 million. In addition to the costs associated with canceled flights, the company also had to rent ready planes that were already equipped with a crew to handle the planned flights, as LOT did not have enough employees. In addition to financial losses, the strike could also affect the quality of services offered by LOT Polish Airlines, as about 70 experienced pilots and flight attendants were fired then.

- **Decline in demand for the company's services**

*Does it happen in LOT?*

At the beginning of 2021, LOT recorded huge losses. Due to prolonged restrictions in many countries, as well as new restrictions imposed on passengers, the demand for air travel is dramatically falling. In the first three quarters of 2020, LOT carried 1.1 million passengers, but this result is by 1.6 million passengers worse compared to 2019. After the reactivation of international air connections, LOT entered the competition with low-cost airlines and offers tickets below the cost. This is a very risky strategy as it carries losses that must be covered. If the demand for flights does not increase, LOT may have a solvency problem.

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.

POLISH AIRLINES



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## 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.

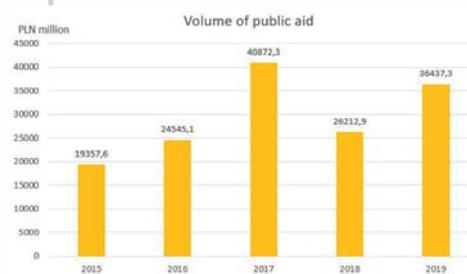


Figure 1 shows a clear increase in the level of state aid granted between 2015 and 2017. 2018 saw a sharp decrease compared to 2017. 2019 again showed an upward trend.

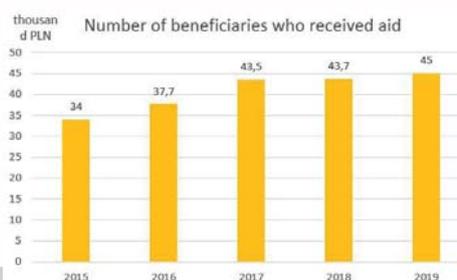


Figure 2 shows that over the period 2015-2019 the number of beneficiaries increased.

## 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.**

Raport o pomocy publicznej w Polsce udzielonej przedsiębiorcom w 2015, 2016, 2017, 2018, 2019 roku – UOKiK

Traktat o funkcjonowaniu Unii Europejskiej Dz.U.2004.90.864/2. art. 107

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Cracow 2021



## HOW NOT TO GET EATEN - FOOD SERVICES IN THE ERA OF COVID-19

Ewa Guzy  
Angelika Kawa  
Paulina Kohut

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?**



### How not to get eaten?



Refresh the premises



Expand your marketing



Increase deliveries



Come up with promotion ideas



Improve the quality of your products

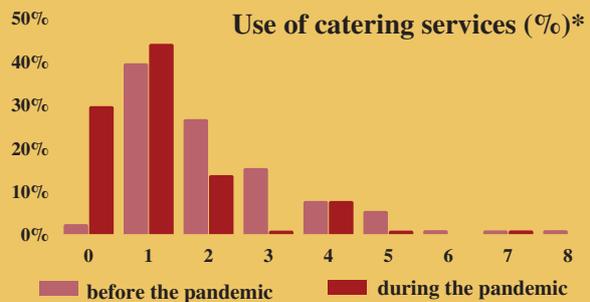


Implement happy hours

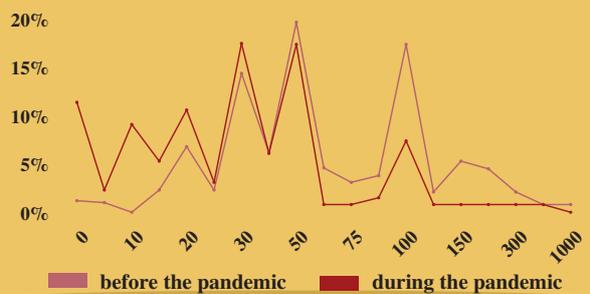


Grow your social media presence

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.

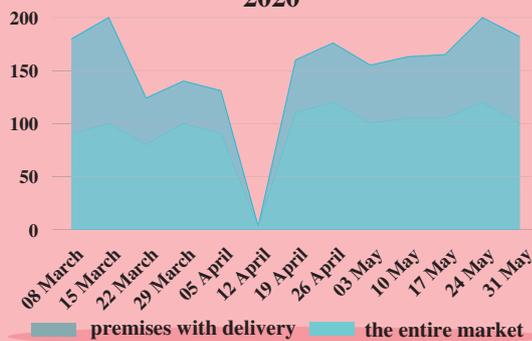


### Expenses incurred for the use of catering services\*



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.\*



\*based on an online survey conducted in April 2021, filled by 132 people

## HOW TO BECOME AN ANTYFRAGILE 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. Start-ups tend to be anti-fragile; large, successful organizations tend to be fragile. If lucky, a start-up grows and develops a success formula. With maturity, however, it can become rigid and fragile. Most successful organizations do not like volatility, randomness, uncertainty, disorder, errors, stressors, and chaos. 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 as to our vulnerability levels. Organisations must now understand which changes have created value and learn to sustain the positive ones permanently. Antifragile organisations like Amazon and Haier, with digitally enabled, loosely coupled and distributed workforces and infrastructures, have proved it's possible to flex, adapt and emerge stronger from crises such as COVID-19.

The aim of the poster to show ways for an organization to be much less 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 8 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 upside.
- **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 basing 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).

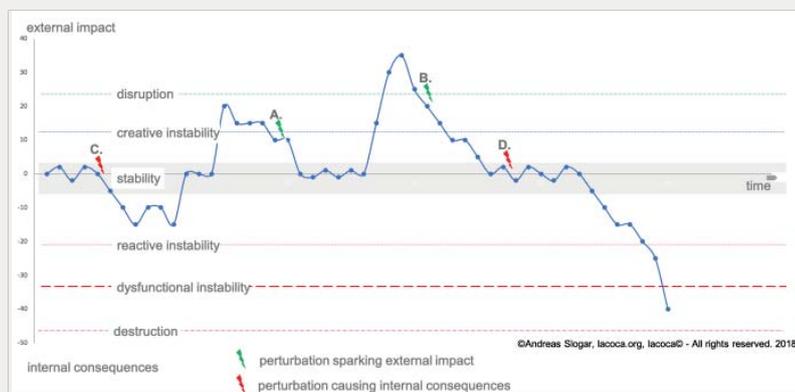


Figure 1: Non-linear consequences of ignored errors, stressors or crises

### 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 and Tayloristic administration created those barriers.

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## IDENTIFICATION AND REDUCTION RISK IN GASTRONOMICAL AREA

**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**

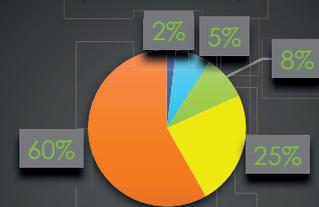
economic:	social:	environmental:
<ul style="list-style-type: none"> <li>• lower revenues by losing customers</li> <li>• higher costs by introducing taxes</li> </ul>	<ul style="list-style-type: none"> <li>• deteriorated relations with contractors</li> <li>• underestimating the staff</li> </ul>	<ul style="list-style-type: none"> <li>• operational limitation due to a pandemic</li> <li>• failure to protect data security</li> </ul>

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. Regular rewarding of employees. Ensure sanitary safety in the premises. Regularly replace IT software.

Source: own study based on forbes.pl

**Chart 1 The operation of companies in a pandemic**

Does the company operate during the pandemic (March 2021)



- 1. works as before the pandemic
- 2. the premises changed its business profile
- 3. the premises has been closed
- 4. suspended activities
- 5. works for takeout

Source: own study based on Briefly.pl

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 take-away 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.

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## IDENTIFYING RISKS IN THE SERVICE INDUSTRY IN 2020

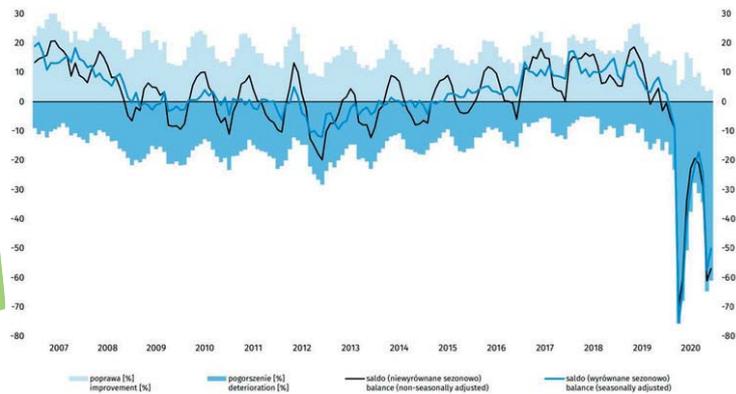
Different types of risks such as environmental risks and economic risks are taken into consideration. Based on available data, a comparison of selected indicators was made between 2020 and previous years.

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.

### Serious economic downturn

According to the data published by the CSO, there has been a significant decline in the indicators of the general business climate in the services sector. In the transport and storage section, the index was estimated at - 2.5 in December 2019, while in December 2020 it was estimated at 11.5. An even greater decline and fluctuation are observed in the accommodation and catering section. If we compare the data for December 2019 with December 2020, we see that there is a sharp decline from - 3.1 to 56.9.



### Wage costs

Wage costs are the fastest-growing component of corporate costs in Poland. With average wages rising by 6.5 percent in 2019 and a new element coming in 2020 - a 16 percent increase in the minimum wage, this means that unit labor costs will increase significantly. Poland is becoming the European leader in terms of the minimum wage to the average salary (about 50 percent in 2020). For many companies, this means they need to change the business model, for most of them the need to intensify investment in automation and digitization. Ultimately, this process can bring many benefits to the economy, but for companies, it poses a huge challenge.

### Increased competition

Underlying this theme is the challenge of consolidating sectors where the business population is highly fragmented. Various costs and competitive pressures will make it increasingly difficult for small businesses to operate. Also, government assistance programs (i.e., the crisis shield) have been used more often by large companies, making it even more difficult for smaller entities to exist.

### Insolvency

The year 2020 proved to be very difficult for the Polish economy due to the impact of the pandemic, which caused the number of business insolvencies in Poland to increase by 22 percent compared to 2019. The largest increase of 186 percent was recorded in the accommodation and catering industry. A total of 1,243 insolvencies were recorded in 2020.

### Energy/resources

In recent years, energy prices for firms have increased by several tens of percent. The prices of carbon dioxide emission rights reached historic highs in mid-2019. This caused the topic to gain media publicity, and the increase in energy prices became a symbol of the costs that Polish companies and households will have to bear for the country to adapt to the requirements of climate policy. Therefore, this phenomenon is very high in the risk ranking. Although wholesale energy prices in Poland, as well as the prices of carbon dioxide emission allowances, have started to decrease since autumn 2019, in the medium and long term the price pressure resulting from the energy transformation of the economy will be a mandatory factor to take into account when building companies' strategies and business models.

### Currency rates

In recent years, the zloty has been so stable that currency risk has virtually dropped off the list of things that worry businesses. Such calmness, however, may be unwarranted. Theoretically, there is a risk that if inflation remains high in Poland, the central bank will raise interest rates and the exchange rate of the zloty will significantly strengthen. This risk is still necessary to monitor.

### 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.

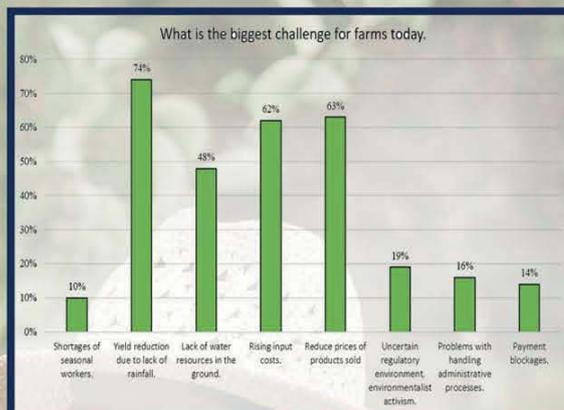
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- Time of trial. Ranking of economic risks for companies in 2020.

## INSTRUMENTS FOR REDUCING THREATS IN AGRICULTURE

### INSTRUMENTS FOR REDUCING 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	INDIVIDUAL INSTRUMENTS
<b>FINANCIAL</b> subsidising agricultural production contractual, and food consumption through subsidies and tax relief	<b>CONSOLIDATION OF ACTIVITIES</b> Vertical integration: capital, institutional Horizontal integration
<b>PROTECTIONIST</b> lowering the competitiveness of imports too with import quotas, duties and fees compensatory	<b>RISK DIVERSIFICATION</b> additional economic activity, various directions of production
<b>REGULATORY</b> application of quality standards and regulations governing the turnover of agri-food products	<b>RESERVE FUNDS (mutual funds)</b> <b>INSURANCE</b>

### SUBSIDIES

The summary of 2020 prepared by the Agency for Restructuring and Modernization of Agriculture shows that last year, PLN 15.69 billion of direct payments was transferred to farmers' accounts.

Of this, the vast majority, as much as PLN 10.4 billion, were advances of direct payments for 2020. From October 16 to November 30, 2020, ARiMR paid up to 70% of advances.

In turn, PLN 5 billion went to the farm as final payments of direct payments for 2019 and part of the final payments for 2020.

The Agency's calculations show that in 2020, 31 calls for proposals for subsidies from the RDP 2014–2020 were carried out, and under them ARiMR paid farmers PLN 10.2 billion.

Over PLN 10 billion in RDP subsidies for the development of farms. The ARiMR paid farmers PLN 10.2 billion.

The most popular programs were:

- the so-called covid aid, i.e. aid for farmers particularly affected by the COVID-19 crisis, applied for by over 180 thousand hosts who received about PLN 1.2 billion;
- cow + and pig + subsidies,
- subsidies for the restructuring of small farms.

### 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.



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## INSURANCE AS A FORM OF RISK REDUCTION IN TOURISM ENTERPRISES

### INTRODUCTION

Unfortunately, one of many traits of the tourism industry is the high level of risk. For this reason/Wherefore, according to law, it is necessary to conclude an insurance contract – the confirmation of it is the insurance policy.

Insurance products cover both customers (tourists) and service providers (travel agencies).

### OBJECTIVE

The main objective of the poster is to point out the relevance of insurance in tourism industry with an indication of potential insurance benefits for the insured entity.

### INSURANCE - DEFINITION

The Civil Code definition: „By the insurance contract, the insurance company is obligated to fulfill a specific benefit in case of the incident included in the contract and the insurer is obligated to pay contributions”. [Act of 23rd of April 1964 - Civil Code, art. 805.]

### FORMS OF INSURANCE:

- liability insurance
- property insurance
- assistance insurance
- accident insurance

### HOW DOES INSURANCE REDUCE RISK?

- It decreases the risk by preventing the insolvency of the company as a result of having to pay compensation after an unexpected accident.
- It reduces the risk of the owner having to bear legal liability.
- The insured entity transfers the responsibility for the consequences of negative, random events to the insurance company.

### AMOUNTS OF SECURITY FOR THE INSURED'S PROPERTY

The amounts of the minimum security that the organizers or intermediaries are required to present to the licensing authority are determined by the regulation - Journal Of Laws of February 22, 2005, No. 32, item 279.

### Forms of security used by tourism organizers and travel brokers by number of entities in years 2008-2014:

Year	Bank guarantee	Insurance guarantee	Insurance for customers	Security for a foreign entrepreneur	Escrow account	Totally
2008	50	1685	86			1821
2009	53	1844	94			1991
2010	56	2106	101			2263
2011	65	2360	109	3	20	2557
2012	76	2662	120	13	52	2923
2013	85	2997	137	14	81	3314
2014	92	3343	158	16	117	3726

Source: *Ubezpieczenie w zarządzaniu ryzykiem w działalności touroperatora*  
Henryk Sobolewski, Piotr Bober

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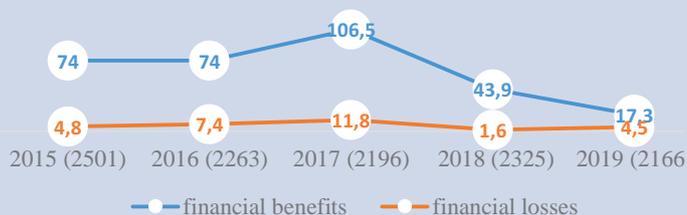
- Ubezpieczenie w zarządzaniu ryzykiem w działalności touroperatora* - Henryk Sobolewski, Piotr Bober  
*Ubezpieczenie jako forma ograniczania ryzyka w turystyce* - Arkadiusz Weremczuk  
Act of 23rd of April 1964 - Civil Code, art. 805  
*Ubezpieczenia* - Wanda Ronka-Chmielowiec

## INTERNAL CONTROL - RISK MANAGEMENT IN LOCAL GOVERNMENT

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, credibility of the reports, resource protection, promoting and executing principles of ethical behavior, effectiveness of information flow, risk management<sup>1</sup> As management control in local government we should understand management 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.

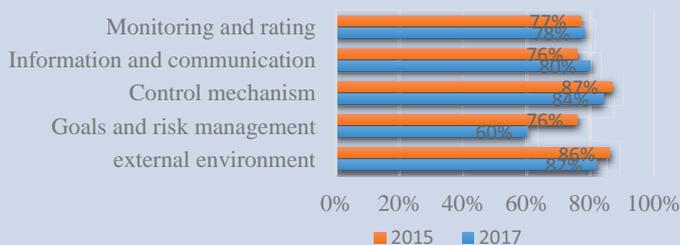
The purpose of the poster is presenting internal control as a tool to implement risk management in local governments.

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



Source: own study based on NIK activity reports.

According to the studies that took place in 2015 – 2018 decces 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.<sup>3</sup>



Source: M. Kołodziej-Hajdo, 2018

Although, the management control is obligatory, the results are not translated into reality. The performed analysis shows weaknesses in internal control's functioning. It's caused mainly by managers not understanding what internal control is. If that factor is eliminated, internal control may be the appropriate determinant of risk management in local governments.<sup>6</sup>



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 weakness of management system.<sup>4</sup> 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.<sup>5</sup>

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- <sup>5</sup> P. Sołytk „Wybrane problemy zarządzania ryzykiem w działalności jednostek Samorządu terytorialnego”
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# INVESTMENTS IN DIFFICULT TIMES

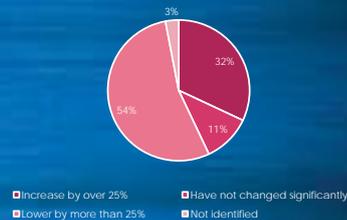
## Difficult time – What is that?

It might seem that during the SARS-Cov2 pandemic, entrepreneurs do not think about the company's development, but only about its survival. This is related to the investments of entrepreneurs in their own companies, which could seem to be invested only in the survival of the company and saving the workplace, and not in the development itself. History shows that even in the most difficult times, companies develop and invest. The problem is the ability to adapt to the current 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 (compulsory suspension of many companies' operations), entrepreneurs are not unanimous in the assessment of the situation in their company. 45% of medium-sized companies and 48% of large companies assess 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 their situation negatively. As many as 95% of representatives of the hotel and catering industry assess the situation of their company during the Covid-19 pandemic as very difficult. Most of this is due to a decline in revenues. As many as 65% of Microenterprises surveyed before EY indicate a decrease in revenues in 2020 by at least a quarter compared to 2019.

How entrepreneurs assess their financial situation during COVID-19



Source: Own study based on: [https://www.ey.com/pl\\_pl/news/2021/03/badanie-ey-rok-z-covid](https://www.ey.com/pl_pl/news/2021/03/badanie-ey-rok-z-covid)

## Have the following situations occurred in your company in connection with the Covid-19 pandemic?



Source: Own study based on: [https://www.ey.com/pl\\_pl/news/2021/03/badanie-ey-rok-z-covid](https://www.ey.com/pl_pl/news/2021/03/badanie-ey-rok-z-covid)

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 "A year with COVID-19" in the eyes of Polish entrepreneurs, 69% of enterprises maintained the employment status at the same level, and 8% of companies increased their number of employees. 79% of the surveyed enterprises did not decide to reduce wages, which proves their positive financial situation

The study commissioned by EY was carried out by IBRIS in January 2021, on a sample of 500 companies, including 200 micro-enterprises (2-9 employees), 150 small enterprises (10-49 employees), 100 medium-sized enterprises (50-249 employees) and 50 large enterprises (250+ employees). Companies of various sizes and representing various industries and sectors participated in the survey. The survey was carried out using the method of standardized telephone interviews computer-assisted questionnaire (CATI).

## Investments and investment plans in 2019:

Companies that deal with activities related to accommodation and catering services most often invested. Companies dealing in industrial processing and activities in the field of administration services also invested. The least frequent investments were enterprises related to activities related to culture, entertainment and recreation. - this is the research of the Polish Economic Institute (PIE) from 2019.

Investments in 2019 and plans for 2020 were mainly focused on:

- building customer loyalty (29%),
- computers (27%),
- advertising and marketing expenses (25%)
- employee training (24%).

Research shows that only 16% 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.

## Change of 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 compulsion 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.

## Conclusions

2019 is focused on investments in the development of well-known spheres, such as building customer loyalty, marketing, and marketing. Entrepreneurs did not plan changes, did not induce them to change, did not induce them to a stable situation. 2020 has forced everyone to look at their plans from a different perspective. Prospects of lack of contact with the customer, problems with possible deliveries and the prospect of reorganizing into remote work. Therefore, entrepreneurs focused on investments in the development of e-sales, as well as in product and service innovation. For many companies there was a difficult period in which they struggled as an amateur for their planned investments in the development of the company. To sum up, for some difficult times, they gave them the opportunity to develop in other directions than before, which turned out to be good for them, mobilizing them to innovative problem solving. The second reminded himself of the unforeseen who should be prepared.

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Krzysztof Urban  
Jakub Tkaczyk  
Weronika Sroka

## Lockdown as a black swan on the way to small business development



### ECONOMIC EARTHQUAKE

Beyond the humanitarian tragedy of the COVID-19. Pandemic has a heavy impact on micro, small and medium sized enterprises which provide 70 % of all jobs, but had fewer resources what making 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 financial due to the insolvency of contractors

"The Report of the National Debt Register in Poland"  
Companies from the SME sector has abandoned the long term planning  
- **only 5% of them plan activities for 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 of the companies 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%**) it is a clear sign of 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

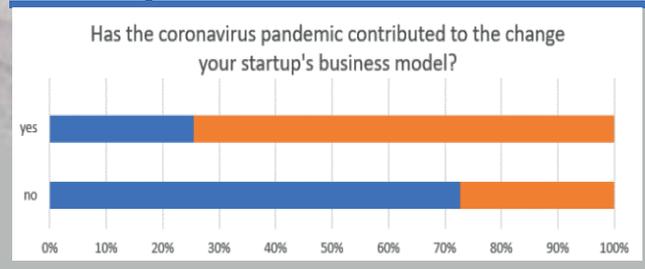
Events which are rare or highly improbable , extremely impactful, tend to be treated as explainable. Mostly during the changing of the course of history, for better or for worse, and sometimes for both.



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**.

Polish Startup 2020 Foundation. COVID Edition



### Adapting to different realities



According to ITC report believes that companies should increase their resistance by diversifying, connecting with business support organizations and build financial reserves in good times

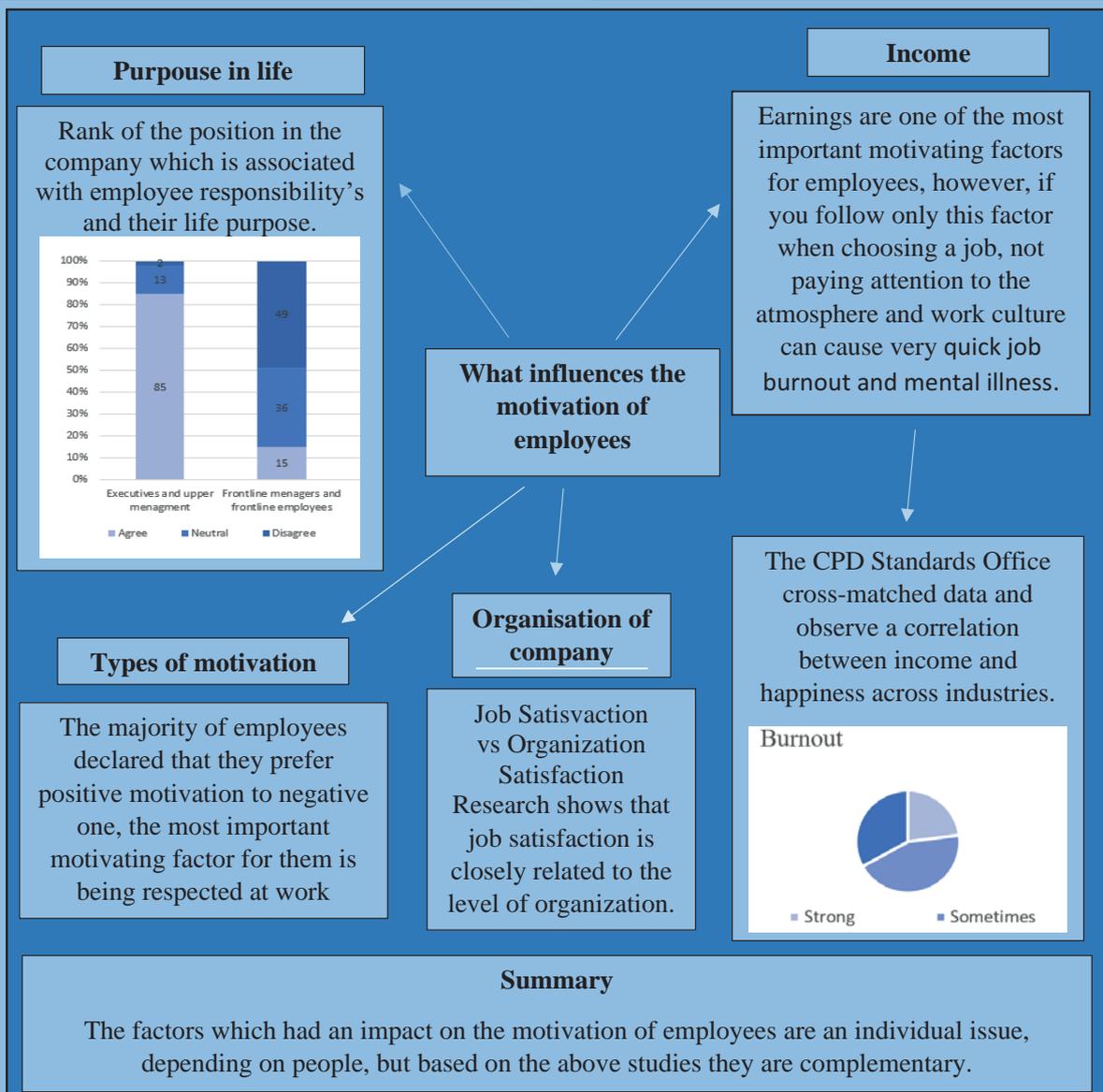
Rapid response to emerging market opportunities



## 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



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## 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.

### REDUCING THE IMPACT OF SUPPLY CHAIN

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.

### ENGAGING CUSTOMERS ON CLIMATE CHANGE

References: ABB Sustainability Report 2020

Management of environmental risks in technology enterprises on the example of ABB Ltd.

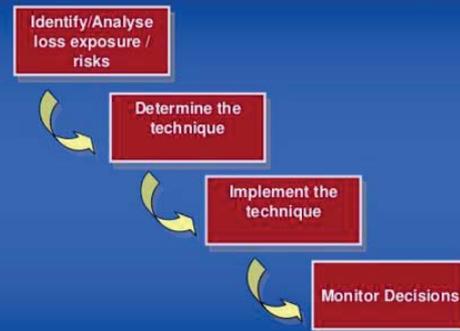
D. Pałkowska, A. Szpakowska, K. Urbańska

## 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<sup>1</sup>. 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<sup>2</sup>.

The purpose of the poster is presenting personnel risk management.

### Steps in Personal Risk Management

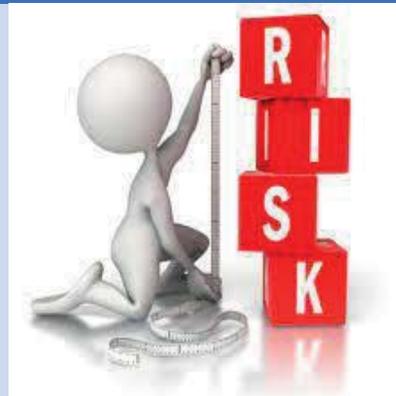


Certified Financial Planner

Module 2: Risk Mgmt & Insurance

Risk perception plays an important role in the risk management process, determines the type of actions taken in connection with its occurrence activities. If a negative risk concept is adopted, managers they will seek to neutralize it by limiting possibilities the occurrence of processes, phenomena and events with potentially negative effects<sup>4</sup>.

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<sup>3</sup>



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?

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Jagoda Skrzyniarz 216710  
Maciej Nykiel 216205

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.

„The most important ingredient in the formula for success is the ability to get along with people.”  
Theodore Roosevelt



## 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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## RISK IN START-UP ACTIVITIES DURING COVID-19 IN POLAND

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

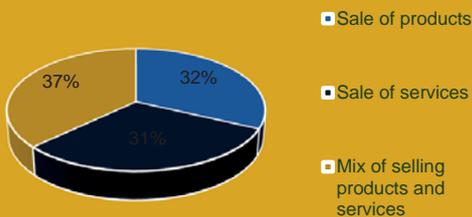
Start-ups are particularly at risk, and the COVID-19 pandemic has exacerbated this threat.

**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.

### Offers of Polish start-ups



Companies exposed to success / failure

**Hope for success:**

- IT industry,
- Construction industry
- Medtech, cybersecurity, e-commerce, e-sport

**Risk of failure:**

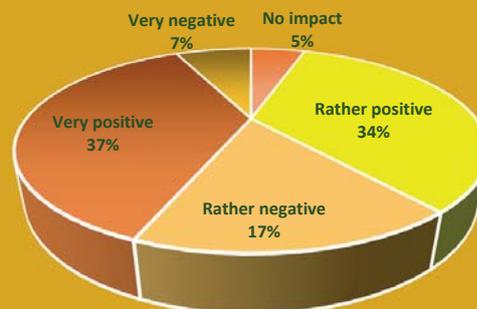
- Gastronomy
- The entertainment industry
- Tourism

### 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

### Impact of the pandemic on the future of start-ups



### Target groups of Polish start-ups



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.

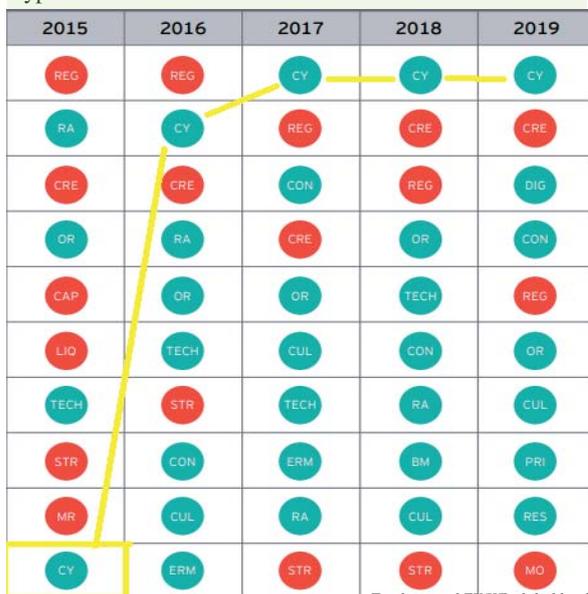
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## RISK IN THE BANKING SERVICES SECTOR – ANALYSIS OF THE TYPES AND METHODS OF MEASUREMENT

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.

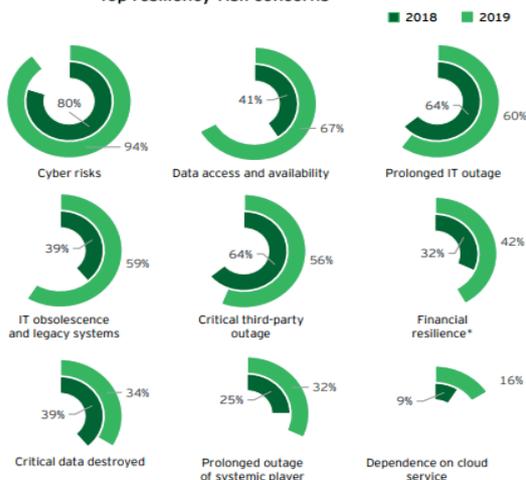
The aim of the poster is to present the results of research by EY and the Institute of International Finance (IIF) identifying 10 significant risks that will require strong management over the next years.

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.



Tenth annual EY/IIF global bank risk management survey

Top resiliency-risk concerns



\* For example, liquidity, capital and collateral

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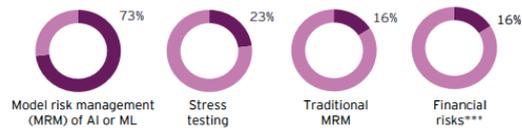
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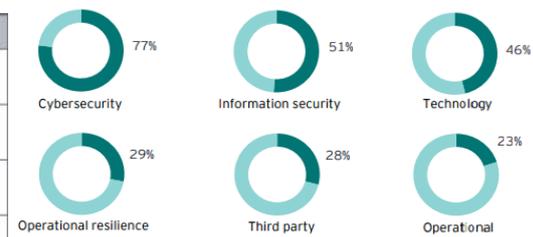
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Specialized talent banks feel they still require today

Areas where banks need to add financial risk experience ...



... and nonfinancial risk experience



\*\*\*Market, credit and liquidity risks Tenth annual EY/IIF global bank risk management survey

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

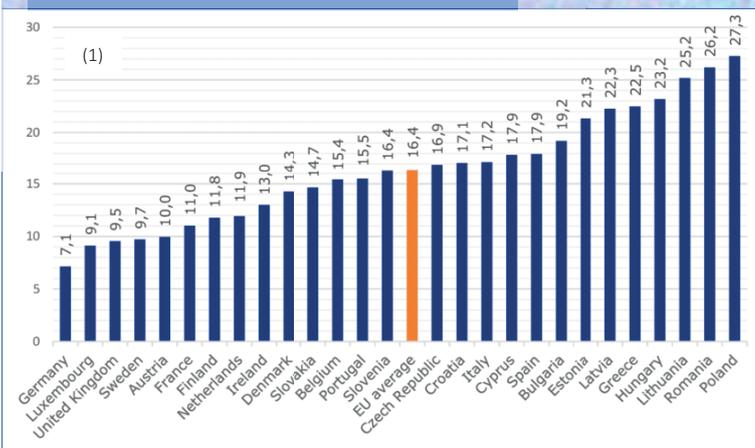
## RISK MANAGEMENT – COMPETITIVENESS OR THE LAW?

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.

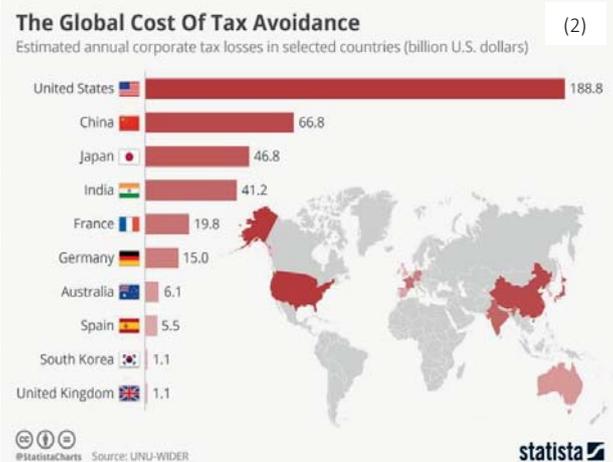
**Is the successful competitiveness possible without breaking the law? Or is it impossible to stay ahead of the others without dirty plays?**

One of the main frauds that have become a plague is an undeclared work. There is no contract, no taxes or insurances 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:



Undeclared work in the private sector as % of total GVA, 2013



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.

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# Risk Management in local government units

The uncertainty and risk accompanies all activities and processes undertaken by man 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 local government 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

#### inside

- financial stability
- health and safety
- human resources
- asset protection

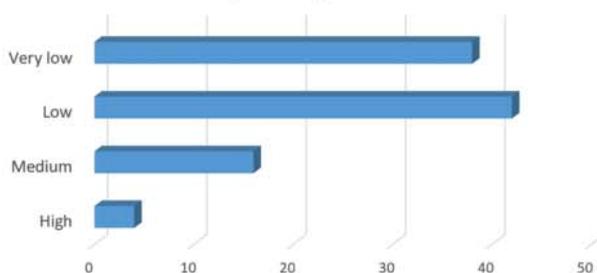
#### outside

- funding
- reputation
- political risks
- natural disasters

## What defines risk management?

- Act of 27 August 2009. Public finance. Dz.U. 2009 No. 157 item 1240
- Announcement No. 6 of the Minister of Finance of 6 December 2012 on detailed guidelines for the public finance sector with regard to planning and risk management. Official Journal of the Minister of Finance of 2012, item 56

Assessment of the level of risk related to activity of local government units



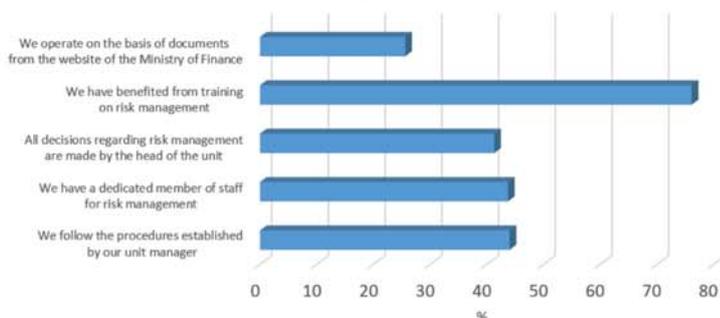
Source: Soltysiak M., Ryzko w Działalności Jednostek Samorządu Terytorialnego w Opiniach Społecznych, Zeszyty Naukowe PWSZ w Płocku Nauki Ekonomiczne, t. XXIV, 2016



## Elements of the risk management process



Assessment of the risk managements actions taken in local government units



Source: Jastrzębska M., Podejście Gmin do Zarządzania Ryzykiem, Zeszyty Naukowe Uniwersytetu Szczecińskiego, 2013

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 facilitates taking rational decisions 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, so to assure proper functioning of these units, these should be implemented soon.

## References

- Sadowska B., Ryzko w jednostkach samorządu terytorialnego jako element kontroli zarządczej, Ekonomiczne Problemy Usług nr 4/2017 (129)
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- Jastrzębska M., Podejście Gmin do Zarządzania Ryzykiem, Zeszyty Naukowe Uniwersytetu Szczecińskiego, 2013
- Cole B., "What is Risk Management and Why is it Important?", SearchCompliance, 2020
- Eisenstein L., "Best Approaches for Managing Risk for Your Municipality", Diligent Insights, 2019
- Nilsen, A. S., "Municipal Risk Management. Implications of use of different risk tools", 2019



## RISK MANAGEMENT IN TERMS OF ACHIEVING STRATEGIC OBJECTIVES

### 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.



## 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.



### 5. Monitoring

It allows your business to ensure continuity.

### 3. Evaluation

Risks need to be ranked and prioritized.

### 1. Identification

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

### 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.

### 2. Analysis

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



## RISK MANAGEMENT

the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce them; a process that allows risks to be understood and managed proactively rather than reactively, leading to success by minimising threats and maximising opportunities

### 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:** H.G. Courtney, J. Kirkland, S.P. Viguerie, "Strategy under uncertainty", <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/strategy-under-uncertainty>, accessed May 11, 2021; 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; The Economic Times, "Definition of Risk Management", <https://economictimes.indiatimes.com/definition/risk-management>, accessed May 11, 2021; 5 Basic Methods for Risk Management, <https://www.investopedia.com/articles/investing-strategy/082816/methods-handling-risk-quick-guide.asp>, 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

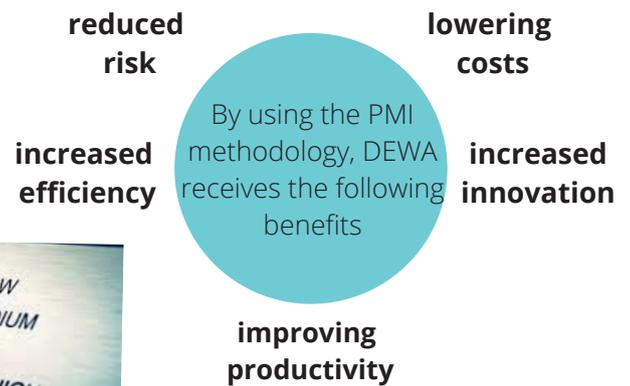
Management according to the PMI methodology, it is a risk management that identifies threats and at the same time analyzes and assesses the risk.

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.

The 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.

**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.**

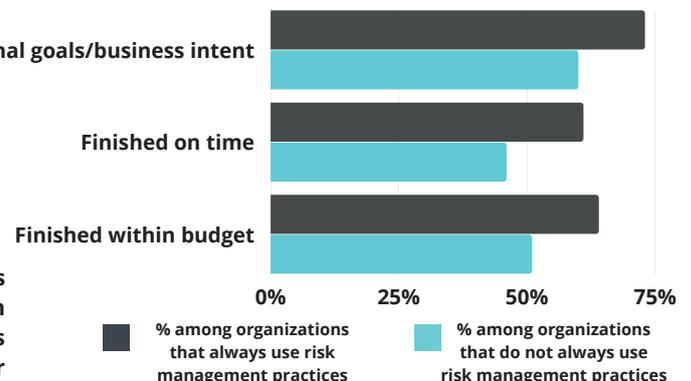


so many organizations in the world have low scores due to little knowledge of the PMI-RMP



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

### Risk Management and Project Outcomes



#### REFERENCES:

- 1) J. Węrewka, G.J. Nalepa, M. Turek, T. Włodarek, Sz. Bobek, K. Kaczor, Zarządzanie projektami i procesami wytwarzania oprogramowania, wyd. naukowe AGH im. Stanisława Staszica w Krakowie. Kraków 2012
- 2) [https://mfiles.pl/pl/index.php/Zarz%C4%85dzanie\\_ryzykiem?fbclid=IwAR2xrROPTjUSRdWRzWtRW6E0dfniuBn2EHPjHNEofhCUh\\_TgaKrBAP\\_Ow](https://mfiles.pl/pl/index.php/Zarz%C4%85dzanie_ryzykiem?fbclid=IwAR2xrROPTjUSRdWRzWtRW6E0dfniuBn2EHPjHNEofhCUh_TgaKrBAP_Ow)
- 3) <https://www.pmi.org/certifications/risk-management-rmp>
- 4) [https://www.pmi.org/business-solutions/case-studies/how-dewa-increased-efficiencies?fbclid=IwAR2Jgh8dZPX3qHJUpI8F5V0vmWlWlBBoZdlvKK\\_vkd7WIHhGk\\_oNUi4](https://www.pmi.org/business-solutions/case-studies/how-dewa-increased-efficiencies?fbclid=IwAR2Jgh8dZPX3qHJUpI8F5V0vmWlWlBBoZdlvKK_vkd7WIHhGk_oNUi4)

Risk management in the enterprise according to the methodology PMI

N. Hajduk, A. Kędzior

# Risk Management in travel agencies during the COVID-19 pandemic

**PURPOSE:** Situation of travel agencies across the world during the COVID pandemic and how they managed to survive it, changes in travel trends and methods which are considered to make traveling safer.

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."*

Part of article from: <https://www.thedirector.com/features/covid/managing-the-risks-of-business-travel-and-instilling-confidence-in-the-time-of-covid-19/>



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

Tourism have to evolve to survive the duration of pandemic.





## RISK MAPPING IN THE COMPANY

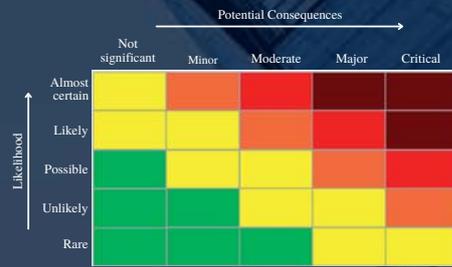
Risk mapping is a listing of all the relevant risks that might affect the company, where each single risk is placed in a two-dimensional space: impact and probability of occurrence. The location of the risks in this space allows top management to reach a decision regarding which risks should be assumed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

<b>STRATEGIC RISK</b> - Changes in consumer preferences - Disruptive Technologies - Unexpected actions by competitors - New competitors - Substitute products	<b>OPERATIONAL RISK</b> - Machinery or system failure - Defective products - Supply chain failure - Loss of valuable knowledge - Inventories obsolescence
<b>FINANCIAL RISK</b> - Foreign Exchange Risk - Interest Rate Volatility - Credit Risk - Liquidity Risk	<b>POLITICAL RISK</b> - Changes in the rule of law - Expropriations - Social unrest and syndical problems - Wars and civil wars

### RISK MATRIX



## RISK MAPPING ON THE EXAMPLE OF QUEENSLAND GOVERNMENT

The below informations 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

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.

Likelihood scale	Criteria	Description
Rare	0 - 5%	Extremely unlikely or virtually impossible
Unlikely	6 - 25%	Unlikely to occur
Possible	26 - 50%	Fairly likely to occur
Likely	51 - 75%	More likely to occur
Almost certain	> 75%	Almost certain will occur

### Example rating scale for risk consequence - initiatives

The following rating scale considers the resultant impact on the business should a risk occur and can be used in the assessment of consequence for ICT initiatives.

If multiple impacts could occur with different consequence ratings then the most critical impact should be selected as the overall rating to ensure appropriate management of the risk.

Type of impact	Impact to cost	Impact to time	Impact to scope	Impact to government reputation
Insignificant	<\$150k	<10 days	Minor change in ancillary requirements	Little to no impact; control of impact can be managed internally
Minor	\$150k - \$500k	10 - 20 days	Change in ancillary requirements	Some impact to government reputation; control of impact can be managed internally
Moderate	\$500k - \$1.5m	20 - 40 days	Change in multiple requirements	Moderate impact to government reputation; control of impact can be managed internally, but risk is high that other parties may need to get involved
Major	\$1.5m - \$5m	40 - 60 days	Change in any of the critical requirements	Major impact to government reputation; control will require the involvement of a number of agencies
Critical	>\$5m	>60 days	Major change in any of the critical requirements	Significant impact to government reputation; media news coverage; Minister or Premier involved

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:

1. Ale B., Burnap P., Slater D. Risk Matrix Basics, 2016.
2. Duijm N.J. Recommendations on the use and design of risk matrices. Safety Science 2015; 76: 21-31.
3. Philip T., Bratvold R., Bickel E.J. The Risk of Using Risk Matrices. SPE Economics & Management 2014; 6(2): 56-66.
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## RISK MINIMALIZATION IN CONSTRUCTION INVESTMENTS IN THE CONTEXT OF QUALITY CONTROL OF CONSTRUCTION PROCESSES

### 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.

### 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.

**PROCESS MINING** - a set of methods and tools for building process models, verifying and extending them and discovering business process models.

**UML (Unified Modeling Language)** - a language used to model systems.

### 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.

### 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,
- the risk of unauthorised 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 R&D 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/>

### PROJECT INFORMATION

Project title "Information system for building tools and application functionality generators engines for quality control systems in the construction industry." The project was implemented as part of the measure called "The process of experimentation and searching for development and innovation niches", co-financed under the Regional Operational Programme of the Mazowieckie Voivodeship 2014-2020, Measure 1.2 "Research and development activity of enterprises", co-financed by the European Union under the European Regional Development Fund, funding agreement no. RPMA.01.02.00-14-7553/17-00.



# 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 [Jonson, Lichter 2019].
2. Depopulation is a process of voluntary population movement resulting from an individual decisions 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 [Hryniewicz 2020].



## TARNÓW

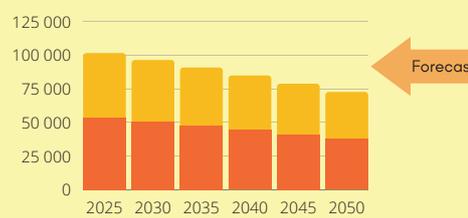
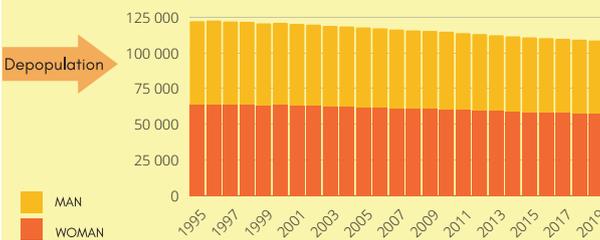
basic info

- Matopolskie Voivodeship
- Area: 72,38 km<sup>2</sup>
- Municipal rights since 1330, granted by king Władysław Łokietek
- "Polish Heat Pole"

## What determines the choice of residence?



## Data on depopulation and depopulation forecast in Tarnów



Source: GUS

## Consequences of depopulation

- 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 Director of the City Development Department and Revitalization Coordinator in Tarnów. The interview was conducted on 20.04.2021 on Zoom.

### Tarnów - facing depopulation

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

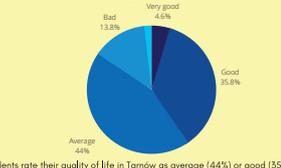
- 1) Size of the city and its compactness
- 2) Pace of life in Tarnów is family-friendly
- 3) Availability of services in various sectors
- 4) Good quality of education, health services, social policy
- 5) Good offer of housing
- 6) Offers and assistance for new entrepreneurs
- 7) Convenient geographical 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.
- 3) 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

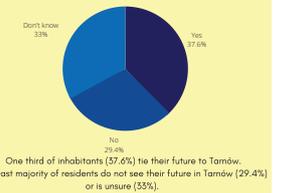
## Depopulation of Tarnów in the eyes of the inhabitants

### Evaluation of the quality of life in Tarnów



Most residents rate their quality of life in Tarnów as average (44%) or good (55.8%). Only a small proportion assesses it as bad (13.8%) or very good (4.6%).

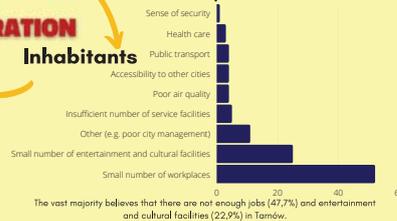
### The future of citizens in Tarnów



One third of inhabitants (37.6%) tie their future to Tarnów. The vast majority of residents do not see their future in Tarnów (29.4%) or is unsure (33%).

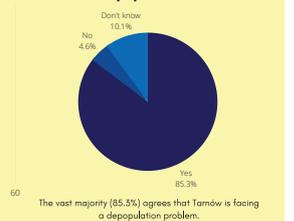


### The weakest points of Tarnów



The vast majority believes that there are not enough jobs (47.7%) and entertainment and cultural facilities (22.9%) in Tarnów.

### The issue of depopulation in Tarnów



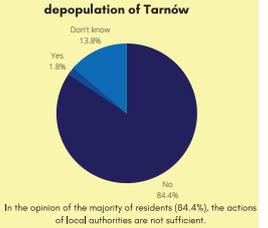
The vast majority (85.3%) agrees that Tarnów is facing a depopulation problem.

### Main cause of depopulation in Tarnów

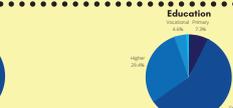
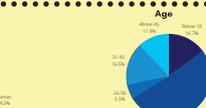


The most important reasons for depopulation are lack of development prospects (32.1%), small number of workplaces (24.8%) and low wages (22%).

### Local authority's actions against depopulation of Tarnów



In the opinion of the majority of residents (84.4%), the actions of local authorities are not sufficient.



The questionnaire was conducted among Tarnów's inhabitants on various social media from 14.04.2021 to 30.04.2021. The questionnaire was concluded with 109 responses.

Hryniewicz J., Depopulacja wyzwaniem polityki ludnościowej [w:] Depopulacja. Uwarunkowania i konsekwencje. Główny Urząd Statystyczny i Rządowa Rada Ludnościowa, Warszawa 2020.

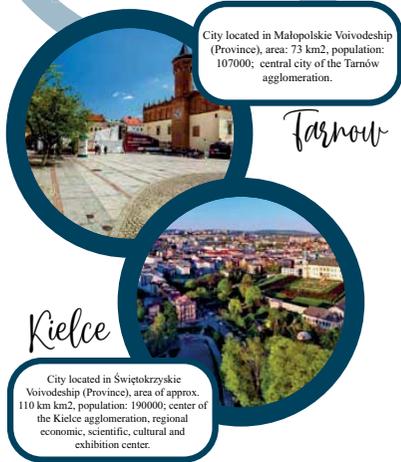
Jonson K., Lichter D., Rural Depopulation in a Rapidly Urbanizing America, University of New Hampshire Carsey School of Public Policy, National Issue Brief #139 Winter 2019.

<https://tarnow.pl/> [access date: 08.05.2021] <https://stat.gov.pl/> [access date: 09.05.2021] <https://culture.pl/pl/miasto/pozostawienia-w-tarnowie-od-sztawo-do-humanopolis> [access date: 11.05.2021] <https://wismalopolska.pl/pl/Publiki/1/poitarnow-bima> [access date: 11.05.2021]

# RISK OF DEPOPULATION IN KIELCE AND TARNÓW AND ITS CONSEQUENCES FOR LOCAL COMMUNITIES

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

Authors: Wiktoria Dziadosz, Diana Kopeć



*Reasons*  
of urban population decline:

- Negative birth rate
- Lower fertility rate
- Postponing decision to start family
- Emigration
- Moving from city centers to quiet suburbs

*Most popular*  
emigration destinations:

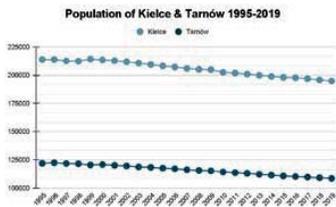
- Germany
- United Kingdom
- Netherlands

*Consequences*

- an ageing population, an increase in the proportion of older people in the total population;
  - region ceases to be attractive for entrepreneurs
  - shrinkage of potential and real labour resources
- the shrinking of the consumption potential of an area. Both the number of consumers and the overall value of the income they have are declining.
- depopulation hits e.g. the demand segments that are the "flywheels of the economy" - e.g. housing construction, so the demand for new dwellings falls sharply
  - an economy characterized by a reduction in demand for labor;
  - advantage of the traditional market, based on outdated industrial technologies;
- a smaller working age population will also reduce the demand for transport and the need to invest in transport infrastructure. These phenomena will result in a lower number and value of construction investments

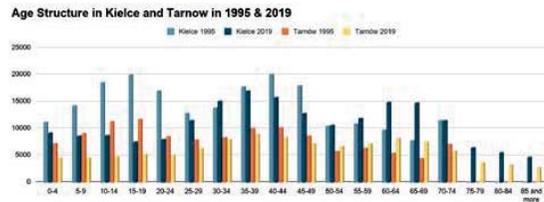
Depopulation means the process of depopulation of a certain area, that is decrease in the number of people and, consequently, in the density of that area. From a demographic point of view, depopulation is the result of the occurrence - separately or jointly - of two factors: negative population growth and negative net migration. Therefore, it is caused by the surplus of deaths over births and / or the surplus of emigrants over immigrants.

It creates a vicious circle: depopulation resulting from the unfavorable economic structure leads to a deepening of the collapse of infrastructure, thereby leading to depopulation.



The graph shows the population of Kielce and Tarnów between 1995 and 2019 with a continuous decline in population, implying depopulation of the population in these cities.

Source: (own elaboration based on Central Statistical Office)

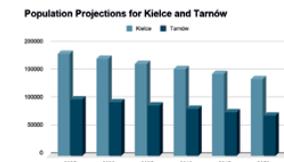


The graph shows the population age structure in Kielce and Tarnów in 1995-2019 with a clear increase of the number of people aged between 60 and 69 relative to 1995 implying that the population is ageing as a consequence of depopulation of younger generation.

(Own study based on the Central Statistical Office) Source: <https://bdl.stat.gov.pl/BDL/dane/podgrup/tablica>

Depopulation is any reduction in the human population in a designated area.

What will the future hold?



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 137,000, and in Tarnów to 72,000. This is very worrying because it can lead to serious consequences, and exactly what we will see in a few dozen years ...

Source: <https://bdl.stat.gov.pl/BDL/dane/podgrup/tablica>

Sources: 1. Diagnoza problemu depopulacji oraz trendów wynikających z prognoz ludnościowych w województwie świętokrzyskim. Przegląd, programów, działań i instrumentów realizowanych na poziomach: lokalnym, regionalnym, krajowym i europejskim, mających na celu przeciwdziałanie depopulacji s. 56-62 | 2. <https://naukawpolsce.pap.pl/aktualnosci/news%2C82885%2Cdepopulacja-w-polsce-gdzie-i-dlaczego-ubywa-mieszkanow.html> | 3. <https://pl.wikipedia.org/wiki/Depopulacja> | 4. <http://www.net.pl/> | 5. <http://www.um.kielce.pl/> | 6. P. Szukalski, 2015. Depopulacja. Problemy społeczne, polityka społeczna w regionie łódzkim. | 7. [https://businessinsider.com.pl/finanse/makroekonomia/demografia-polski-a-konsekwencje-depopulacji-raport-instytutu-emerytalnego/papwvnr?fbclid=IwAR0urLEaHci6VESs280ros7BQJxNfGS\\_DCcallTC5OGDnbbPaDKSheDuQ](https://businessinsider.com.pl/finanse/makroekonomia/demografia-polski-a-konsekwencje-depopulacji-raport-instytutu-emerytalnego/papwvnr?fbclid=IwAR0urLEaHci6VESs280ros7BQJxNfGS_DCcallTC5OGDnbbPaDKSheDuQ) (data pobrania: 12.05.2021)

## Risk management in accounting services

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.

The purpose of this poster to develop an integrated risk management decision framework that can be used to evaluate and thus manage accounting firm business risk. We would also underline the importance of risk management to the accounting firm practice.

### Sources of Accounting Firm Business Risk



Loss of future income



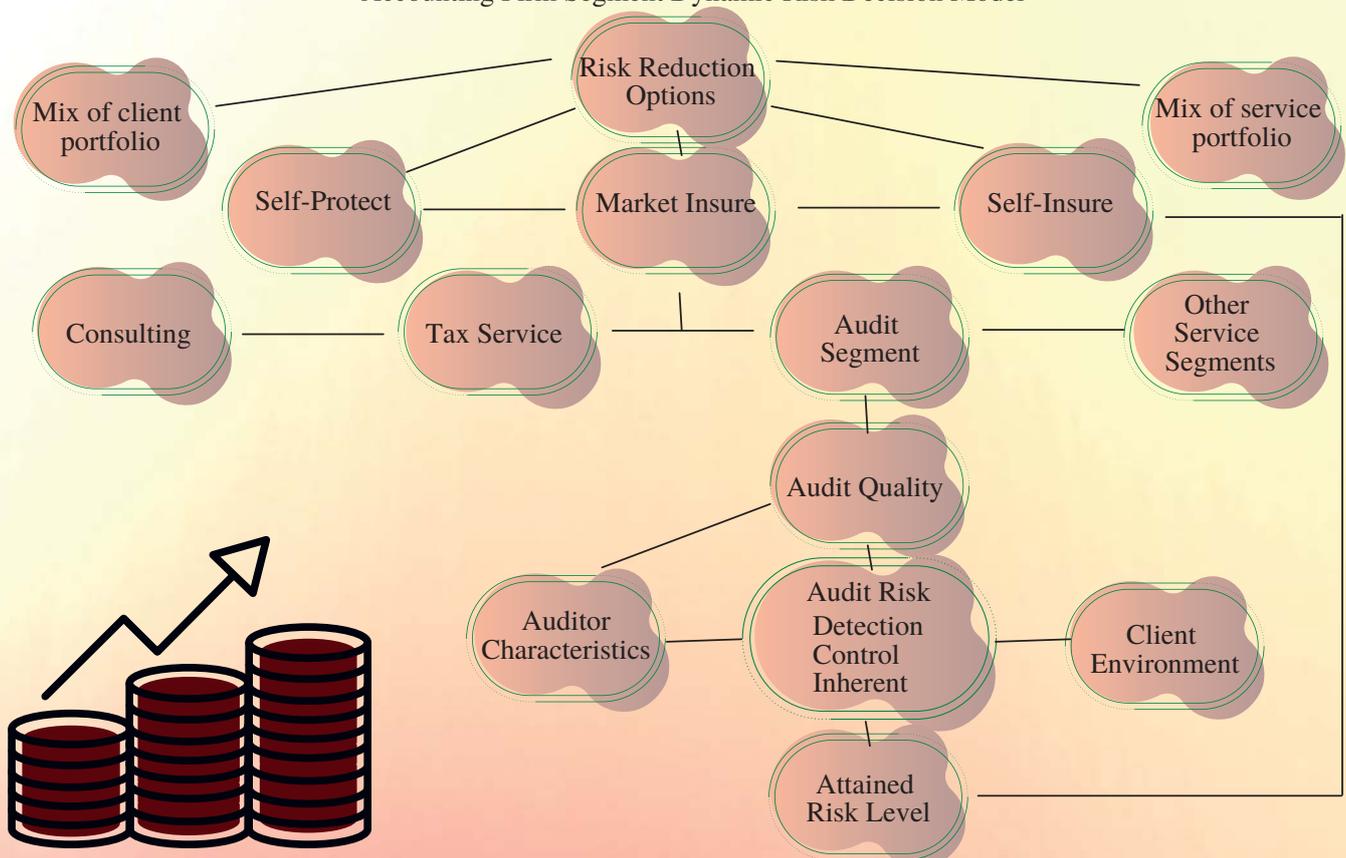
Loss of reputation



Exposure to legal liability

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.

### Accounting Firm Segment Dynamic Risk Decision Model



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

Accounting researchers should study risk from the perspective of the firm as a whole with attention given to the different characteristics and mix of service offerings of various practice units within the firm.

An important starting point in accounting research could be an examination of the decision rules impacting the trade-off decisions in selecting the optimum amounts of each component of risk control. Another issue is how market insurers assess the relationship of the insurable risk to the total risk of the firm.



Ewa Bialek/Magdalena Dudek/Justyna Bienias

## 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.

**How is presented the risk management strategy in Tauron company?**

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:**

Commercial risk	Financial risk	Credit risk	Operational risk	Risk in projects
possibility of incurring a loss or making a gain due to a change of prices on commodity and related product markets	possibility of incurring a loss or making a gain due to a change of FX rates, interest rates, including also lack of liquidity risk	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	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	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

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

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



- <https://www.diycommitteeguide.org/resource/what-a-risk-management-strategy> (27.04.2021)
- <https://en.raport.tauron.pl/zarzadzanie-ryzykiem/strategia-zarzadzania-ryzykiem> (14.05.2021)

## 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.

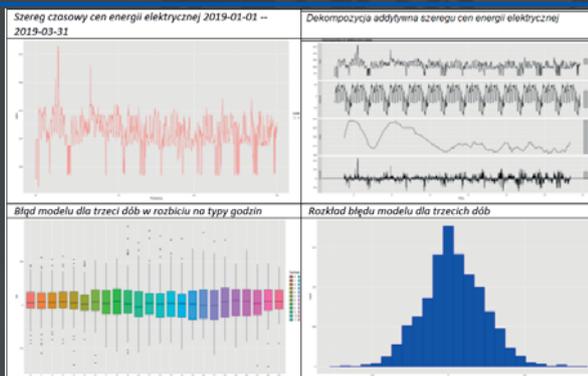
In the area of energy, issues resulting in turn from the following risks were analysed:

- 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

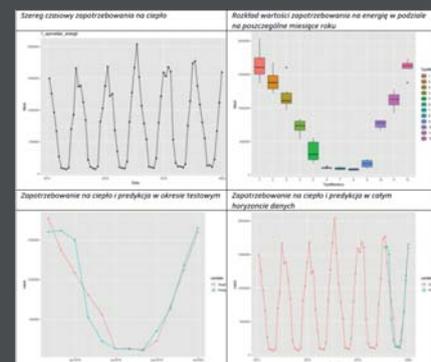


### PROJECT RESULTS

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 Teamssoft 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 the 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. RPMA.01.02.00-14-a103/17-00.



# The risks of introducing the Premium

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.

## 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.

### END USER RISKS:

- Lack of a unique offer
- Too high cost
- Increase in advertising without subscription "YouTube premium"
- Intrusive regular subscription offers
- The ability of content makers to combine Google ads with product placement in one video without a subscription

### RISKS FOR CONTENT MAKERS:

- Lack of ability to produce unique content
- Low monetization of embedded ads from Google
- Loss of views due to a large number of ads without a subscription
- Loss of major advertisers due to drop in views on videos

### RISKS FOR GOOGLE:

- Luck of a unique offer
- Loss of users
- The risk of competitors appearing
- Youtube collapse possible
- Decline in stock market shares
- Decline in the creation of new accounts
- Bad feedback from customers
- Cheating by customers - multi-accounts

## 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.

A competently conducted threat analysis of an enterprise allows you to:

- to form a holistic picture of the dangers for making informed management decisions;
- compare alternative options for new technologies, projects;
- justify the effectiveness of mitigation;
- replenish the database for making business decisions.

### RISK LIKELIHOOD SCALE

Youtube example

LOW

Youtube collapse

MEDIUM

Loss of users

HIGH

Competitors appearing



## 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

### 6 CORE RISK MANAGEMENT STRATEGIES

- REMOVE THE RISK
- REDUCE THE LIKELIHOOD
- REDUCE THE IMPACT
- TRANSFER RISK
- CONTINGENCY PLAN
- ACCEPT THE RISK

## 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 and review the risk

Not all risks can be eliminated – some risks are always present.

YOUTUBE MADE A MISTAKE AT THE OUR FOURTH STEP OF THE RISK MANAGEMENT. HE COULD NOT TREAT THE RISK OF MISSING A UNIQUE OFFER, THE LIKELIHOOD OF WHICH WE ESTIMATED AS HIGH, AND THE IMPACT AS MEDIUM (THERE IS ON THE RISK MATRIX). ALL THAT VALUABLE YOUTUBE COULD OFFER WAS WATCHING VIDEOS WITHOUT BUILT-IN GOOGLE ADS AND LISTENING TO MUSIC IN THE BACKGROUND. THAT'S NOT ENOUGH TO COMPETE WITH SUBSCRIPTION GIANTS LIKE NETFLIX AND AMAZON.

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



## STATE AID - A RISK MITIGATION MECHANISM OR SOURCE OF RISK?

### INTRUDUCTION

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.

### PURPOSE OF THE POSTER

The study attempts to present the structure of state aid in Poland in 2019 and identify the excessive distribution of public funds that may lead to negative market externalities and cause distortions of market competition.

### 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

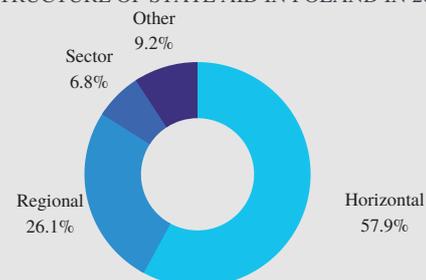
- principle of transparency
- principle of proportionality
- principle of subsidiarity
- principle of cohesion



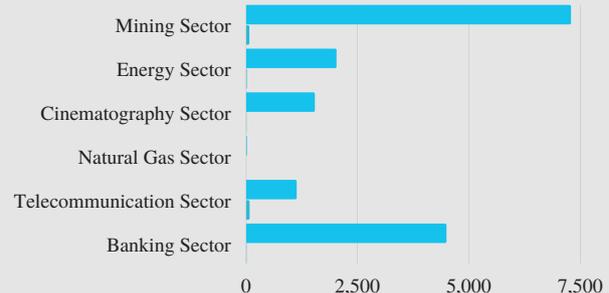
### ASSESSMENT OF GOVERNMENT INTERFERENCE

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.

### STRUCTURE OF STATE AID IN POLAND IN 2019



### STATE AID BY SECTOR IN POLAND IN 2019 [MLN PLN]



### 5 BIGGEST BENEFICIARIES OF STATE AID IN POLAND IN 2019 [MLN PLN]

1. Telewizja Polska S.A. (1 497,0)
2. PGE Energia Ciepła S.A. (1 007,4 mln PLN)
3. PGE Górnictwo i Energetyka Konwencjonalna S.A. (933,0)
4. Spółka Restrukturyzacji Kopalń (690,8)
5. Polskie LNG S.A. (461,0)

Source: own compilation based on (OCCP, 2020, p. 23, 47)

### 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

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2. Office of Competition and Consumer Protection (2020). Report on state aid in Poland granted to entrepreneurs in 2019, Warsaw.
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## 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.

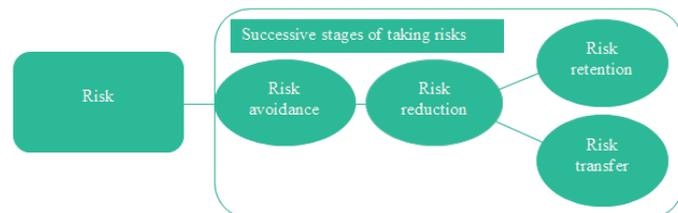
**Risk in the organization and methods of combating and counteracting it.**



<https://spotdata.pl/>



<http://zarzadzanie-zmiana.4bp.com.pl>



Own study

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.

### Risk analysis



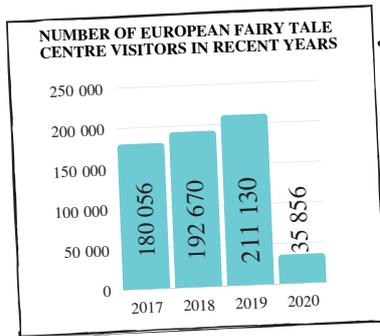
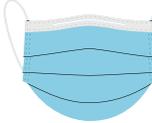
<https://shinsec.pl/analiza-ryzyka-it-wstep/>

- o [https://spotdata.pl/research/download/66?fbclid=IwAR2QjtAD\\_4exlJE7QxiFBiDWoKeK15\\_XR\\_8P5edGjzmN\\_DF1JxpzfEdWsNA](https://spotdata.pl/research/download/66?fbclid=IwAR2QjtAD_4exlJE7QxiFBiDWoKeK15_XR_8P5edGjzmN_DF1JxpzfEdWsNA)
- o <https://mfiles.pl/p/index.php/Organizacja>
- o <https://www.pkobp.pl/centrum-analiz/rozwoj-biznesu/aktualnosci/trendy-inspiracje/covid-koronawirus-pandemia-gospodarka-raport/>

**THE RISK ASSOCIATED WITH THE INVESTMENT IN EDUCATIONAL PARK IN PACANÓW – "AKADEMIA BAJKI"**

Pacanów is famously known for its connection with the fairy tale about the Silly Goat (Koziołek Matolek). 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.

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.

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.

The outbreak of the COVID-19 coronavirus pandemic has tremendously slowed down tourist traffic in the world. It did not bypass the European Fairy Tale Center, which in 2020 recorded only 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.



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 assumptions, the expansion of the European Fairy Tale Center will allow the creation of 19 new jobs, while the number of visits to the place constituting a tourist attraction is to increase by 210,000 people per year. So far, the European Fairy Tale Center has achieved the highest revenues among all cultural institutions subordinate to the voivodeship self-government.




The tourism development was assessed in this study with the use of the Baretje-Defert index and the accommodation density index. The values (0,39/100 and 0,23 accommodation places per 1km<sup>2</sup>, respectively) clearly indicated the degree of the tourist development in the region, which shown 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 endangered 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.

REFERENCES:  
 - Report on tourism in 2019 in Świętokrzyskie, Department of Promotion, Education, Culture, Sport and Tourism of the Marshal's Office in Kielce  
 - <https://mapadotacji.gov.pl/projekty/790116/>  
 - <https://centrumbajki.pl/>

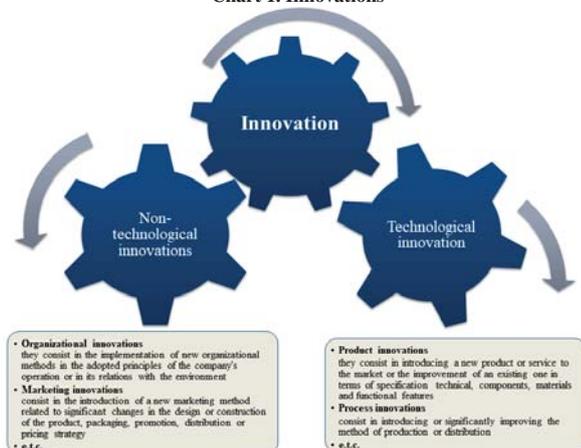


# THE RISK IN FINANCING THE INNOVATIVE ACTIVITY OF THE ENTERPRISE

## 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?

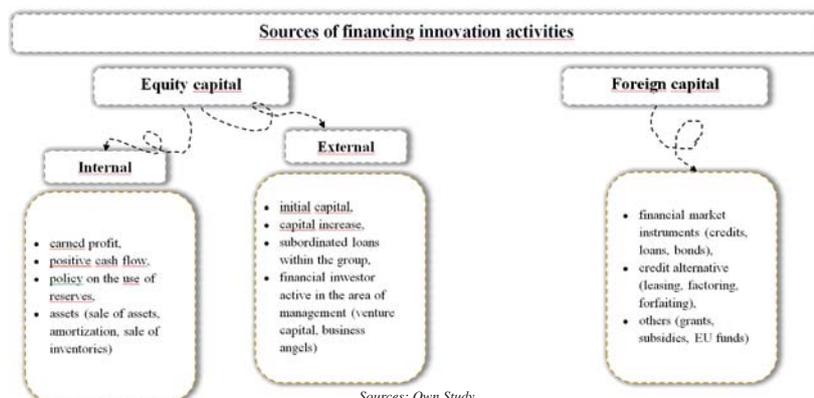
Chart 1. Innovations



Sources: Own Study

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.

Chart 2: Sources of financing innovation activities



Sources: Own Study

### 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.

### REFERENCES:

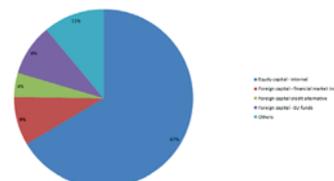
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**'HE WHO DOESN'T  
RISK NEVER GETS  
TO DRINK  
CHAMPAGNE'**

RUSSIAN PROVERB

For the functioning of economic processes, risk is a common and natural event. The risk can be identified and empirically verified. F. Knight says risk is a measurable part of the uncertainty. It is also said to be the possibility of not achieving a goal. The risk of "in minus" means that you get less than you expected. The "in plus" risk, on the other hand, means that you achieve more than you expected. Due to the possibility of gaining benefits or incurring financial losses, it is necessary to identify and verify the risk. Therefore, it should be stated that taking into account the risk is necessary when making investment decisions in a company.

Sources of financing innovation activities



Sources: bdl.stat.gov.pl/BDL/dane/podgrup/temat

The pie chart below shows the structure of sources of financing the innovative activities of Polish enterprises in 2019. The dominant source is still own funds, i.e. "safe" funds, characterized by low investment risk. The analysis of data collected by the Central Statistical Office shows the growing importance of funds other than equity.



# The risk of conflicts between residents and visitors in Cracow before and during the Covid-19 pandemic

Strzeżyk Weronika  
Wróbel Paulina  
Zbylut Katarzyna

**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].

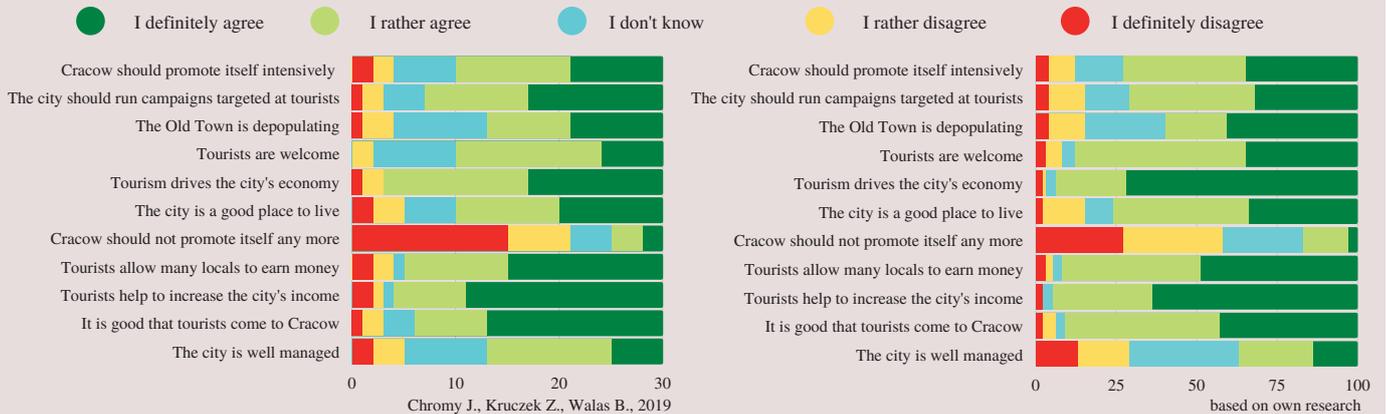
**TOURISM CARRYING CAPACITY** - The maximum number of people who can visit a tourist destination at one time without causing damage to the economic, physical and socio-cultural environment and not allowing a decrease in visitor satisfaction [Chromy J., Kruczek Z., Walas B., 2019].

**RESEARCH PROBLEM** - The research problem is an evaluation of the attitudes of Cracow's inhabitants (in particular, the risk of conflicts) towards visitors before and during the Covid-19 pandemic.

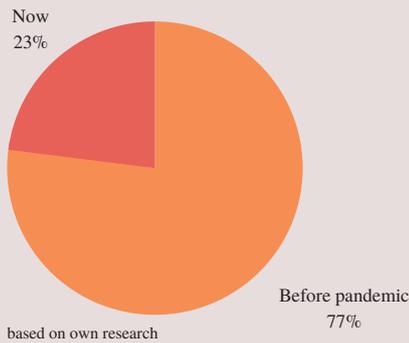
**HYPOTHESIS** - The hypothesis adopted to the research problem posed in the poster is: Covid-19 pandemic caused an increase in sympathy among Cracow's residents towards visitors to the city.

**SOCIAL CARRYING CAPACITY** - It can be seen from two points of view. From the point of view of residents it is the maximum number of visitors that can be countenanced by them without diminishing their quality of life. It represents interaction between citizens and visitors. From the point of view of tourists it refers to interaction between visitors. This term is described as maximum number of visitors that can be tolerated by themselves without minimising the quality of the recreational experience or willingness to travel to an alternative place or revert home [Joshi S., Dahal R., 2019].

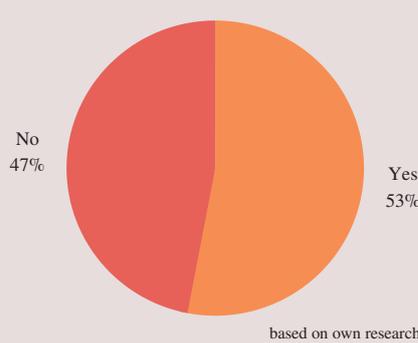
## The opinion of the residents of Cracow on the following topics, before and during the Covid-19 pandemic



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



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



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



### 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

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- Joshi S., Dahal R. Relationship between Social Carrying Capacity and Tourism Carrying Capacity: A Case of Annapurna Conservation Area, Journal of Tourism & Hospitality Education, 9 (2019), s. 19, Nepal

### Sources of graphics:

- Logo of the University of Economics in Cracow: <http://krakow.travel/548-krakow-universytet-ekonomiczny>
- All charts: made by authors in Canva

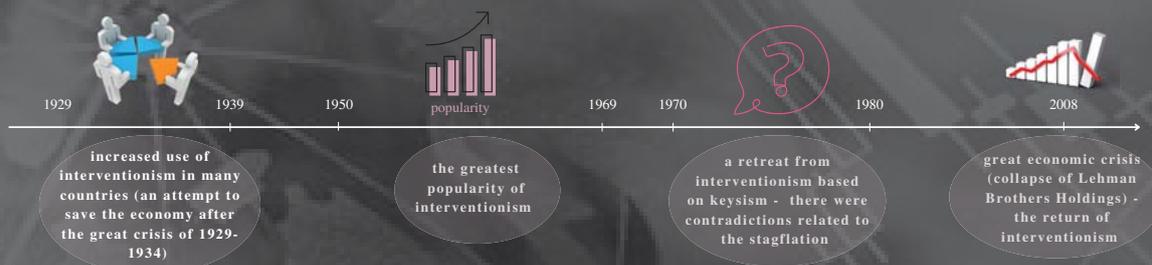


**Interventionism** is the active role of the state in relation to the economy, which boils down to the systematic, orderly influence of the state on all economic processes.

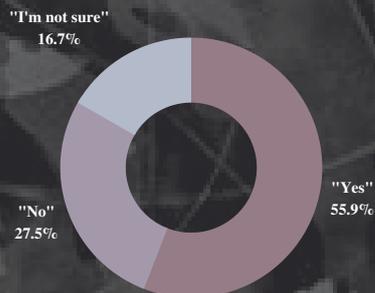
**John Maynard Keynes** - creator of the theoretical foundations/basis of interventionism

"The General Theory of Employment, Interest and Money" - in this book he supported the involvement of the state in the market mechanism.

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.



Do you know what the term "interventionism" means?



Consequences of government intervention in the economy

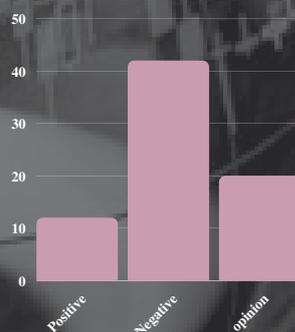
### POSITIVE

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

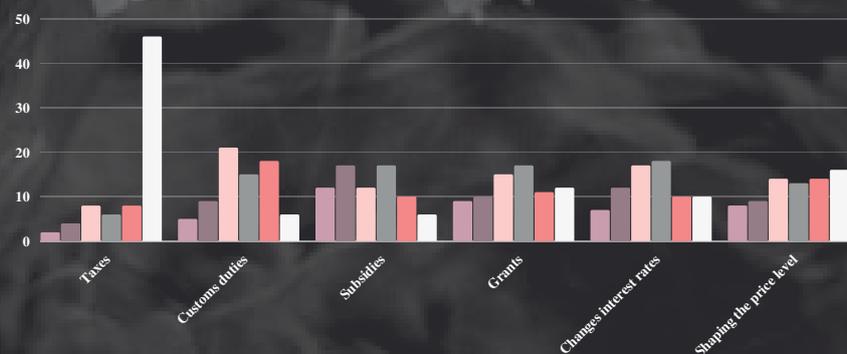
### NEGATIVE

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

Is contemporary government intervention positive or negative in your opinion?



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



### References:

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3. Franczak M. (2015), *Od bezpieczeństwa do interwencjonizmu*, Uniwersytet Jagielloński w Krakowie, p. 71-75

## 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.<sup>1</sup>

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.

The main point of this poster is presenting how the pandemic could influence for company's budget and how to prevent loss of all the resources.



Source: Own research

### 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.

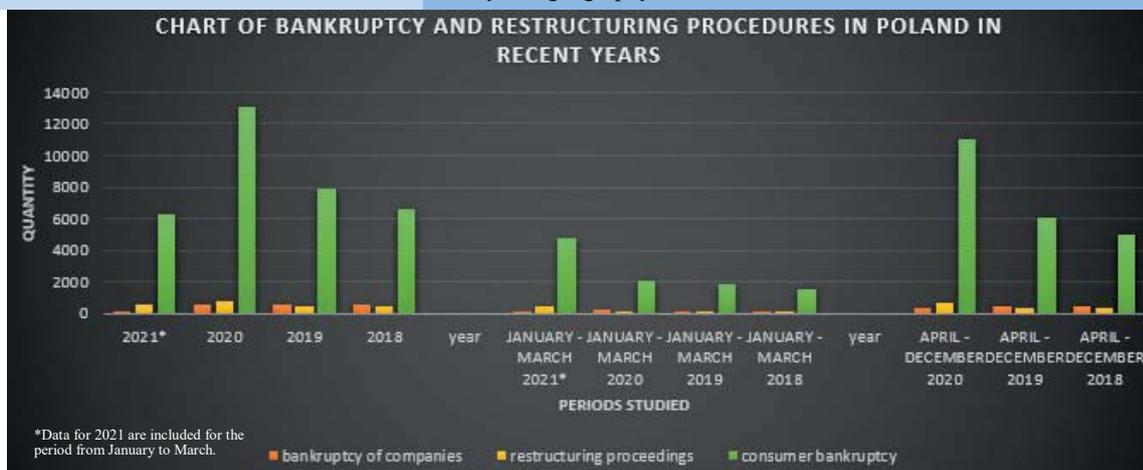
#### DURING A PANDEMIC:

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.



Source: own study based on <https://www.coig.com.pl/lista-upadlosci-firm.php><sup>2</sup>

### 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:

1. <https://www.biznes.gov.pl/pl/firma/kontrahenci-i-klienci/chce-rozliczac-sie-z-kontrahentami-i-klientami/zarzadzanie-finansami-firmy-i-obsługa-platnosci-firmowych/jak-zarzadzac-plynoscia-finansowa?fbclid=IwAR2rKVlPCtYP3n31pvgUiBbAC-Oj6Skn-uMhCtdrH9tHLXF38u6fx6lBE>

2. <https://www.coig.com.pl/lista-upadlosci-firm.php>

# The risk of running a hotel business in the pandemic era

## 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. Some statistics have been cited. 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.

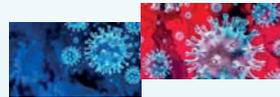
We can distinguish two basic risks most often taken into account: market risk and individual risk. Market risk depends on the market conditions, both economic and political of a given country, as well as on climatic factors. This type of risk cannot be controlled in any way, not even partially. Individual 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. credits and loans, is not without significance for the company. They make the entrepreneur dependent on foreign capital. All risks directly or indirectly affect the enterprise. The entity must apply appropriate mechanisms that will limit the risk and ensure the stability of the company.

## Case study

The pandemic in Poland had two culminations in 2020. The first in spring, the second in late autumn and winter. We had a relatively large "economic freedom" in the summer. In summer, hotels operated in coastal regions, in the lake district, and in foothills and mountains. This allowed for some income in these areas. The period of economic constraints in the second phase of the pandemic was most felt by hoteliers in the mountains and in cities with very high tourist attractiveness (eg Kraków, Wrocław, Warsaw, Toruń, Gdańsk).

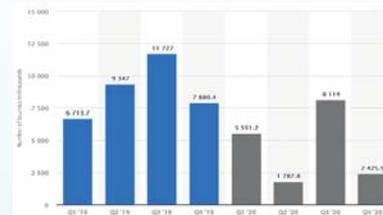
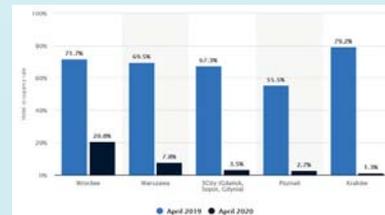


The entire broadly understood industry of accommodation services produces as much as 12 percent. GDP. The number of people employed in the hotel industry is several hundred thousand. If we take into account companies related to hotels - suppliers of products and services and subcontractors, the number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



### 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 outflow of guests from hotels and the first cancellations of reservations took place in the first half of March 2020, when the first, then few cases of coronavirus infections began to be recorded in Poland. The government has shut hotels since April, more than two weeks after the lockdown struck. At that time, they could only operate, accepting guests who needed necessary business trips. The hotels reopened right after the May weekend. The re-closure for non-business visitors took place on November 7th.

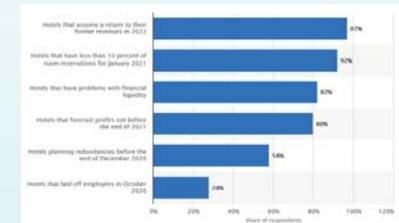
The family chain Osti-Hotele currently has two facilities in Krakow: Hotel Senacki and Hotel Kossak. So far, the average annual occupancy rate in both hotels has been around 90%. Everything has changed this year. The Senacki Hotel had to suspend receiving guests in March due to the fact that mostly seniors from Great Britain stayed there. In the case of Zdrojowa Hotels & Invest, which has 10 hotels in holiday resorts in Świnoujście, Kołobrzeg, Ustronie Morskie and Szklarska Poręba, the holiday occupancy rate was comparable to last year. July was worse than a year ago, but August was a bit better 70-90% were occupied in hotels rooms. However, it was worse in big cities. Especially in Krakow, geared more towards foreign tourists than Wrocław or the Tri-City. From June to September, Krakow hotels achieved an occupancy rate of 30-40 percent. The average price per night was much lower than in the previous years. The rates fell by 50-70%. Resort hotels could boast better results, because Poles decided to rest outside the cities.

## Results

The survey conducted among hoteliers by IGHP on the situation of hotels in March 2021 shows that the number of closed hotels increased again, which accounted for as much as 17% of the surveyed group (11% in February). Of the rest, as much as 80% facilities recorded an average attendance of less than 20% (in February it was 65%), of which 47% below 10% and 11% less than 2% occupancy. In March, as in the previous months, there was no significant difference in the ratios between hotels located in and outside cities, or between hotels in the business and tourist segment. The average price index also deteriorated - 61% open hotels recorded lower prices than a year ago, while for 26% the drops were greater than 10%, and for 21% greater than 20%. At the same time, 20% of hotels kept their average prices on the last year's level.

## Conclusion

In order to prevent a further crisis, it seems reasonable that some of the funds from the Reconstruction Plan for Europe go to support the hotel sector. It is important to postpone the collection of the minimum tax from hotels until the end of the pandemic, as well as to extend additional promotion to Polish tourism, in particular urban tourism, and to use the sectoral support program from EU funds. The crisis, which hit the hotel industry on an unprecedented scale, led to the collapse of many hotels, leaving a large proportion of the tourist staff unemployed. The restrictions in force in Poland last year forced the public to stay at home and a general restriction of movement. Spending many months in one place triggers the desire to travel and see a landscape other than the view from your own window.



The crisis, which hit the hotel industry on an unprecedented scale, led to the collapse of many hotels, leaving a large proportion of the tourist staff unemployed. The restrictions in force in Poland last year forced the public to stay at home and a general restriction of movement. Spending many months in one place triggers the desire to travel and see a landscape other than the view from your own window. Especially the dwellers of blocks of flats feel hungry for a natural landscape. It is therefore hoped that guesthouses, agritourism farms and other hotel facilities will enjoy the interest of tourists and that whenever such an opportunity arises, Poles will decide to go on trips, thus supporting such an important branch of the economy of the entire country.

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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 purpose of the poster is to show the dangers associated with cybersecurity and to present preventive measures

### Total Malware Infection Growth Rate (In Millions)



Source on study based:

<https://purplesec.us/resources/cyber-security-statistics/>

#### 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

#### 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 on the liability that your data is in secure hands
- **Appoint Security Expert**  
For the maintenance of your security system, hire a security expert.



Source:

<https://www.tigergraph.com/solutions/cybersecurity-threat-detection/>

## 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

Percentage of people who declare trust to local authorities



Source: own study based on CBOS communicate from 2020 about public trust

**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.**

Filek J. (red.), *Etyczne aspekty działalności samorządu terytorialnego. Poradnik dla samorządów*, Wyd. Małopolska Szkoła Administracji Publicznej Akademii Ekonomicznej w Krakowie, Kraków 2006

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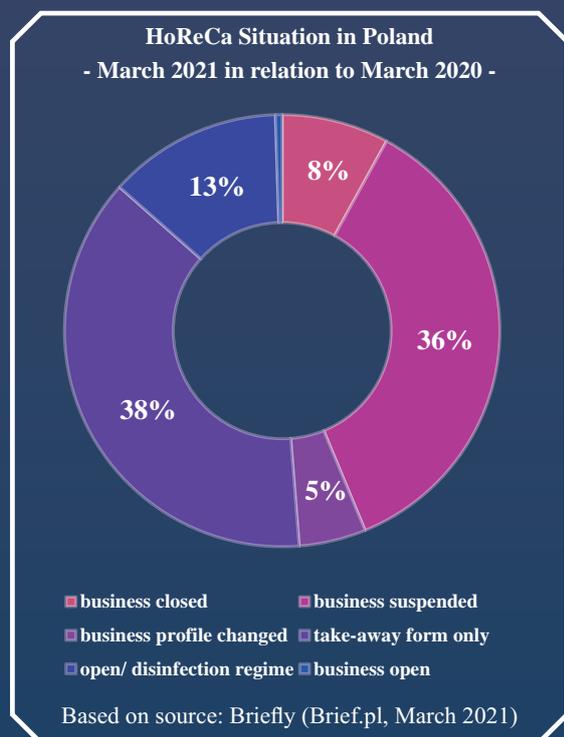
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<https://pl.postermywall.com/>

<https://sjp.pwn.pl/slowniki/reputacja.html>

## THE RISKS AND THEIR CONSEQUENCES ASSOCIATED WITH GLOBAL PANDEMIC IN FOOD-RELATED BUSINESSES

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

### THE MAIN OBJECTIVE OF THIS POSTER IS TO IDENTIFY THE PROBLEMS FOOD-RELATED BUSINESSES IN POLAND ENCOUNTER DURING GLOBAL PANDEMIC AND THEIR CONSEQUENCES.

#### Consequences:

- Although it may seem that many restaurants after the outbreak of the COVID-19 pandemic offer delivery or take-away, Izba Gospodarcza Gastronomii Polskiej (IGGP) estimates that currently only 20% of entities operating in the industry operates as a take-away. Only gastronomic premises like fast-food, which operated in a similar way before the outbreak of the pandemic, remain in an almost unchanged situation.
- Due to the nature of the business like pubs and bars, they are not able to offer take-away meals or they may do so to a very limited extent.
- The problem is also the difficulty in “entering” the integrated platforms for ordering food like Pyszne.pl or Uber Eats - the time of verification of gastronomic establishments and other related formalities have been extended several times during the pandemic.
- According to IGGP, restaurants and gastronomic premises, which before the pandemic operated mainly stationary and have decided to operate as a „take-away”, receive no more than 10% of previous revenues.
- Despite the decrease in revenues or often their complete absence, it is accompanied by the maintenance of a significant part of costs, like rental fees for premises and employee salaries.
- Waste of food caused an unexpected decision to close the premises.

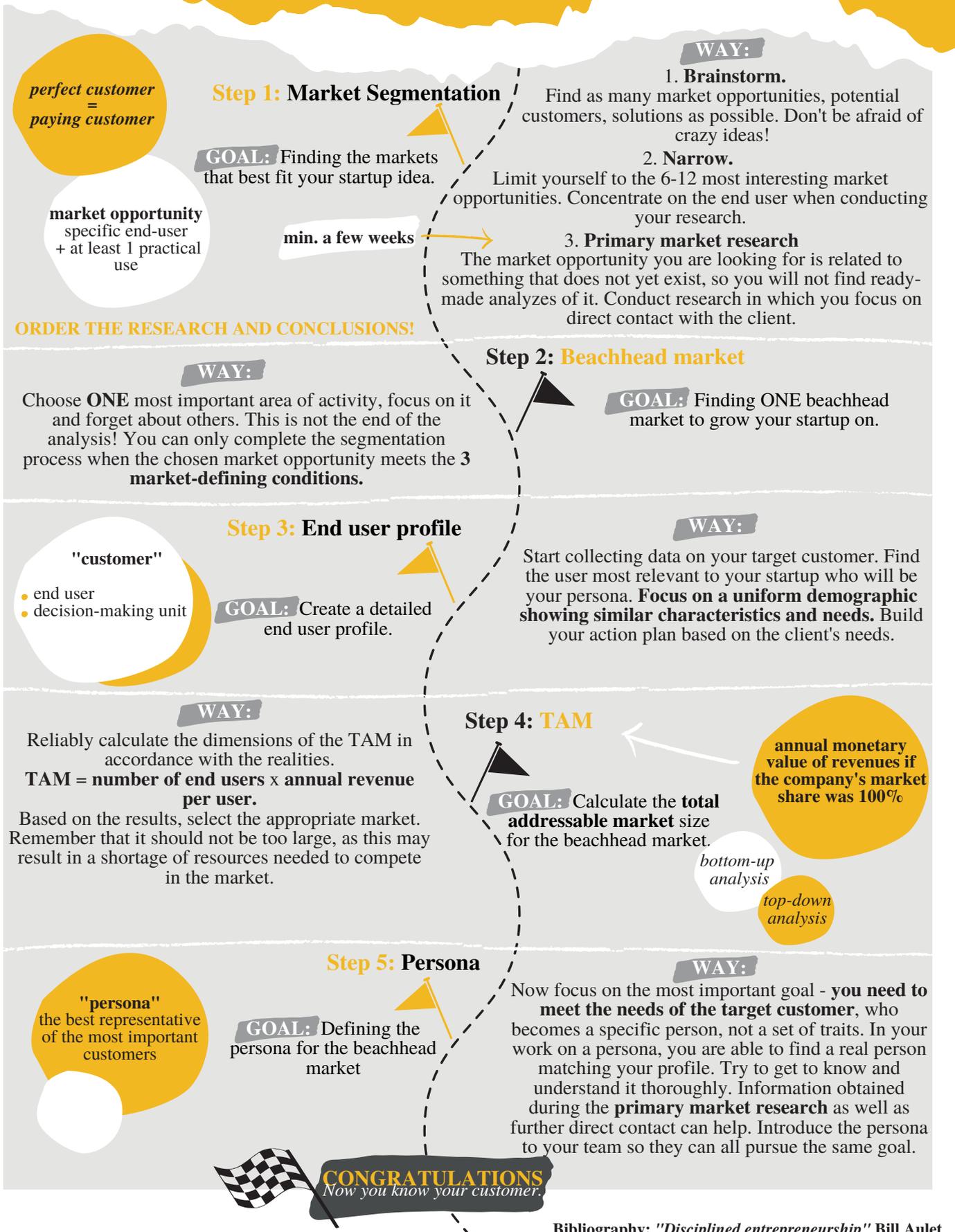
As we can see, there are many obstacles that HoReCa sector encounters nowadays. However, that does not mean that this economic sector has been completely eliminated, as many businesses do their best to offer take-away food to their clients.

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# WHO IS YOUR CUSTOMER?

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



Bibliography: "Disciplined entrepreneurship" Bill Aulet



## 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

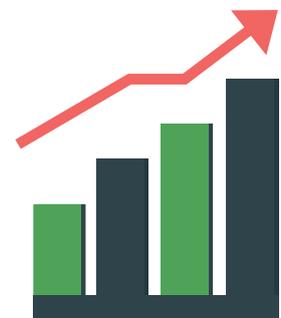
QE measures have not alleviated the financial problems afflicting the Japanese economy. Despite the Bank of Japan's efforts, Japan's gross domestic product fell from about \$5.45 trillion to \$4.52 trillion between 1995 and 2007.

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.



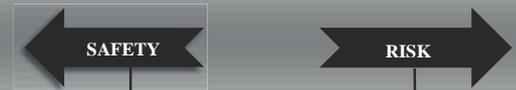
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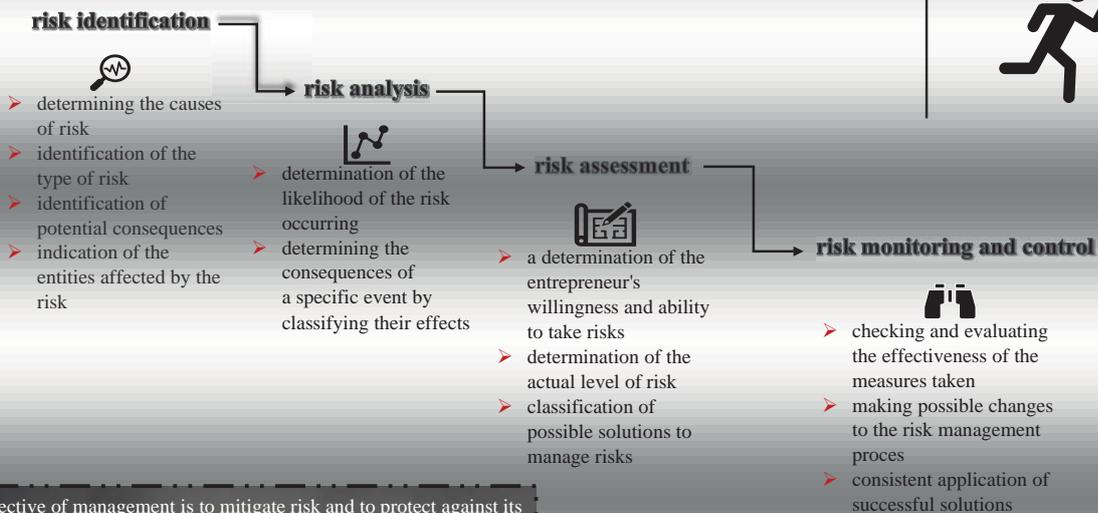
# YOUR MOVE- YOUR FUTURE

Strategy plays an important role in a company (just like in chess). A very important thing in the development of any company is the ability to move in the market and the skillful 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.

An extremely important issue in entrepreneurial behavior is, among other things, the willingness to take risks. The project aims to reflect the steps entrepreneurs take to develop their own business. The essence of risk is the calculation of what we currently have, what we can possibly lose, and what we can possibly gain.



## STAGES OF MAKING A MOVE



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

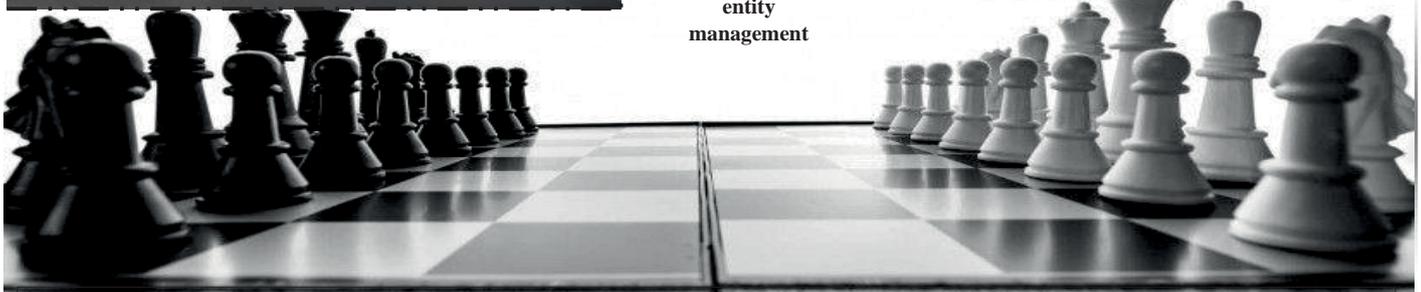
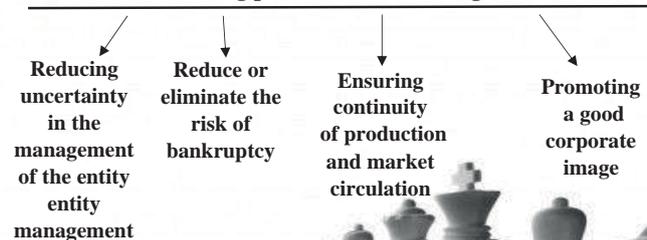
Figure 1: Main types of risk



Source: Own elaboration based on Kokot- Stępień P., *Identyfikacja ryzyka jako kluczowy element zarządzania ryzykiem w przedsiębiorstwie*, Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 855 Finanse, Rynki Finansowe, Ubezpieczenia nr 74, 7.1, Szczecin 2015 r.

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



#### References:

- <sup>1</sup> Kokot- Stępień P., *Identyfikacja ryzyka jako kluczowy element zarządzania ryzykiem w przedsiębiorstwie*, Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 855 Finanse, Rynki Finansowe, Ubezpieczenia nr 74, 7.1, Szczecin 2015 r.
- <sup>2</sup> Gajda J., *Ryzyko jako ważny element działalności biznesowej w świetle badań autorskich*, Zeszyty Naukowe Politechniki Częstochowskiej nr 3, Zarządzanie Przedsiębiorstwem, Częstochowa 2017 r.

