



RISK MANAGEMENT'S ROLE IN COFFEE SHOP BUSINESS CONTINUITY: THE CASE OF BREWANDY

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ABSTRACT

Purpose: This study aims to explore and improve the risk management practices of Brewandy Coffee, a micro, small, and medium enterprise (MSME) in the café sector, by evaluating existing strategies and suggesting enhancements. **Methodology:** The research uses a **descriptive qualitative methodology** to examine risks through the ISO 31000 framework and Risk and Self-Control Assessment (RSCA). Data were collected through **in-depth interviews** with stakeholders, including consumers, owners, and employees, to analyze and assess risks based on their frequency and impact. **Results:** The results show that Brewandy Coffee's risk management strategies, including **real-time monitoring, employee training, supply chain diversification, and enhanced data security**, align with industry standards, effectively mitigating operational risks. **Findings:** The study highlights that adapting industrial-scale risk management practices to MSMEs is essential for business resilience and operational efficiency in resource-constrained environments. **Novelty:** The novelty of this study lies in integrating multiple perspectives—stakeholders' views and risk management frameworks—into MSME risk practices, offering a holistic approach to improving risk management strategies. **Originality:** This paper is original in addressing the gap in MSME literature by applying advanced risk management practices in small enterprises, particularly in the café sector. **Conclusions:** The study concludes that risk management is critical for long-term sustainability and provides practical insights for MSMEs to enhance their risk mitigation strategies. **Type of Paper:** Descriptive qualitative research.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) in Indonesia play an important role in the national economy. By contributing 60.5 percent to Gross Domestic Product (GDP) and absorbing 96.9 percent of the national workforce (Rahayu & Damayanti, 2024), MSMEs are the backbone of the Indonesian economy. On the other hand, the coffee sector is also experiencing rapid development. Indonesia, as one of the largest coffee producing and consuming countries in the world (Ibnu & Rosanti, 2022), is witnessing significant growth in the coffee shop industry. In 2023, there were more than 10,000 coffee shops contributing to industry revenues of up to IDR 80 trillion (Purwanto, 2024). This trend reflects people's enthusiasm for coffee, both as a consumption need and as part of a lifestyle. In Lampung Province, which is famous for its Robusta coffee production, coffee shops are a

promising sector. One of the MSMEs in Bandar Lampung that operates in this sector is Brewandy Coffee. In addition to functioning as a place to drink coffee, Brewandy Coffee is also known as a social and creative space that offers a comfortable atmosphere for working and socializing. With an increasingly flexible work style, this place is a choice for many visitors looking for an alternative workspace.

However, along with this growth potential, MSMEs such as Brewandy Coffee also face significant challenges, especially in managing business risks. Tight issues, changing consumer trends, and limited resources are often obstacles. This study aims to explore how Brewandy Coffee identifies, analyzes, and manages these risks, referring to the ISO 31000 risk management guidelines.

Risk management is an important strategic step for business continuity, including on an MSME scale. Risk is defined as the potential for an event to occur that can have a negative impact, both predictable and unpredictable (Lionel, Leonard, et al., 2023). In the context of Brewandy Coffee, the main risks include a decrease in market share due to the inability to adapt to changing trends, competitor innovations, or marketing strategies. If not managed properly, this risk can result in decreased revenue and increased operating costs.

Previous studies, such as those conducted by Sajjad et al. (2020), have explored the implementation of ISO 31000 in large companies, but these studies rarely focus on MSMEs. In addition, the descriptive approach by Bando et al. (2020) highlights the importance of understanding risk, but does not touch on the integration of multi-stakeholder perspectives as applied at Brewandy Coffee. This study fills this gap by analyzing the MSME risk management approach based on real conditions, using the *Risk and Self Control Assessment* (RSCA) and referring to ISO 31000.

This study aims to provide a comprehensive understanding of risk management in MSMEs, especially in the coffee shop sector. This study will identify sources of risk, broadcast their levels and impacts, and analyze the mitigation strategies implemented by Brewandy Coffee. With a holistic approach, this study is expected to provide theoretical and practical contributions, especially in improving MSME businesses amidst increasingly fierce competition. Through this research, Brewandy Coffee is expected to be able to identify and manage risks more effectively, not only in operational aspects but also in broader risk strategies. By implementing a risk management approach that is aligned with ISO 31000, SMEs such as Brewandy Coffee can increase their competitiveness, maintain business desires, and adapt to changing market dynamics.

Business Continuity

According to Narayanadp (2018), Business Sustainability is a business effort to minimize negative impacts on the environment and society so that future generations can have sufficient resources to meet their needs. Successful business sustainability in the global market, with good quality, will ensure environmental safety. From this understanding, it can be concluded that business sustainability is an effort that continues from time to time, with sustainable leadership, so that the products produced can still be maintained. Business sustainability also refers to the ability of a business to maintain, develop, and protect its resources, as well as meet the internal and external needs required. To achieve this, businesses use various strategies based on experience, both personal experience and the experience of others. Business sustainability reflects consistency in business operations, including aspects of growth, development, and strategies implemented to maintain and expand the business. (Yuningsih et al., 2022)

Enterprise Risk Management (ERM)

Risk integration, integration of risk transfer strategies, and integration of risk management into the company's business processes are important steps in forming a comprehensive risk management framework, according to Bambang Rianto's (2016) view regarding Enterprise Risk Management (ERM). First, the integration of the risk organization requires the establishment of a centralized risk management unit, which is directly responsible to the Chief Executive Officer (CEO).

This is important so that risk management can be implemented effectively. The second integration of risk transfer strategies aims to protect residual risks that are not desired by management. The last process involves integrating risk management into all business processes of the company. By adopting an ERM approach, companies can be more effective in allocating resources, improving business performance, and influencing decisions related to pricing and other strategic decisions.

Risk and Control Self-Assessment (RCSA)

According to Naim & Condamin (2019), Risk and Control Self-Assessment (RCSA) is the process of identifying and assessing the relationship between the risks faced by an organization and the control measures implemented. Risks in an organization cannot be ascertained in advance (a priori) and cannot be obtained from external sources. These risks are highly dependent on the organization's objectives and the environmental factors that influence them, and over time, these risks will evolve. Therefore, risk is essentially a perception, which is influenced by the individuals who identify the risks.

Risk Management

Risk management can be defined as a systematic process that aims to identify, assess, and control various threats that can affect organizational resources (Maitri et al., 2022). With risk management, events that cause risks can be identified. After identification, the consequences of each event can be known so that the impact of possible risks can be minimized, this risk management is carried out before the risk appears as an anticipatory step by preparing a backup plan that can be applied for business continuity.

Financial Risk

Leverage risk, is the risk that can affect a business's income, this risk is related to the capital, income, and losses experienced by the company (Berliana et al., 2020). Financial risk can impact the company's business capital, income, and potential losses. If not managed properly, this risk can disrupt cash flow, reduce assets, and reduce profitability, increasing the possibility of losses that hinder business growth (Septi et al., 2023). Financial risk is often a major challenge, many MSMEs experience financial problems that can hinder their growth. For example, lack of capital to develop a business can reduce competitiveness and hinder strategic decision making.

Operational Risk

Operational risk is a risk that occurs due to internal problems of the Company, such as weaknesses in the management control system, human error, system failure, or the influence of external factors. This risk can disrupt the smooth running of daily operations. so that impact on the efficiency and effectiveness of business processes. If operational risks are not managed properly, the impact can affect the Company's overall performance. It is important for companies to have a strong control system and effective mitigation strategies to reduce the negative impact of these risks. (Wardiah et al., 2023)

Marketing P risk

Potential adverse events in business need to be anticipated, especially in identifying risk opportunities and their impacts if they occur. Marketing includes all activities related to the flow of goods and services from producers to consumers. In marketing, there is a concept of 4P, namely Product, Price, Place, and Promotion. which is important to understand. Market risk is greatly influenced by the environment in which the company operates, including the number of competitors, fluctuations in raw material prices, and promotional strategies through social media. Therefore, the company's ability to adapt and innovate in the face of marketing risks is very important. In this way, the company can turn challenges into added value, increase competitiveness, and ensure business sustainability amidst fierce competition (Berliana et al., 2020).

Product Risk

Product risk is a type of risk related to operational risk, with a focus on output products, namely finished goods produced by the company. This risk has a direct impact on consumers, so the company needs to manage it well. Every business, regardless of sector, certainly faces risks that need to be anticipated. Effective risk management includes identifying, analyzing, and evaluating risks, as well as implementing strategies to reduce their impact. In this way, companies can protect themselves from financial losses and maintain the reputation that has been built (Berliana et al., 2020).

METHOD

This study uses a descriptive qualitative methodology to describe conditions or phenomena in an area systematically. This technique was chosen because it is suitable for understanding real situations without data manipulation (Bando et al., 2020). This study examines the hazards in cafes using the ISO 31000-based Risk and Self Control Assessment (RSCA). The questions in the RSCA are formulated based on literature, ISO 31000 guidelines, and expert input. There are two main questions: potential risks filled in by 30 consumers, and the impact filled in by the owner and two employees. This strategy builds a framework based on information from stakeholders to identify hazards and prevent them (Sajjad et al., 2020). Data were collected through in-depth interviews, which allowed for in-depth exploration of the company's internal and external aspects (Harahap & Siregar, 2020). Interviews discussed issues such as finance, operations, marketing, and production. After the data was collected, the researcher identified existing, potential, or existing risks. Analysis was carried out to assess their frequency and impact. The next step is to evaluate how to handle the risk, such as reducing, avoiding, or transferring the risk. The results help determine the priority of the risk so that more effective mitigation measures can be implemented. To ensure the validity and reliability of the data, this study ensures that the questionnaire questions are relevant to the objectives and cover all aspects of the risk being studied. The consistency of the questionnaire was tested using Cronbach's Alpha, with a value of ≥ 0.7 considered reliable. One of the limitations of this method is if the respondent is unwilling to participate, which can reduce representation.

RESULTS AND DISCUSSION

Risk management is a component crucial in operational continuity of a business, especially in Micro, Small, and Medium Enterprises (MSMEs). Without adequate attention to risk management, a Companies can face various challenges that have the potential to reduce revenue or even lead to unexpected major losses. Therefore, effective risk management is essential to minimize potential losses and ensure business stability. In the context of Brewandy coffee, risk assessment can be carried out through the Risk Management Analysis approach which consists of three phases The first phase is risk identification, where all potential risks that may affect business operations must be clearly identified. The next step is risk analysis, which involves assessment of the impact and likelihood of each identified risk occurring. The final phase is risk evaluation, where the company determines the actions the most appropriate mitigation to reduce the negative impacts caused by these risks.

In the first stage of research, namely risk identification, researchers conducted mapping of various potential risks that may arise in Brewandy's operations Coffee. This identification includes various factors that can influence continuity business, such as disruptions in the supply of raw materials, market competition, and changes in consumer tastes. One of The step taken in this stage is to conduct an interview with the owner Brewandy Coffee located in East Teluk Betung, to gain

first-hand insight into the challenges faced in operate business Brewandy Coffee. The risk identification obtained can be explained as follows.

Tabel 1. Brewandy Risk Identification Coffee

Scope	Information
Financial Aspects	Capital, salaries, and operational bookkeeping
Operational Aspects	SOP system, K3 service system, and employee management
Marketing Aspects	Market targeting, and digital marketing
Product Aspects	Managing raw material stock

Data source: Researcher, 2024.

After the risk identification process is carried out based on the data obtained from the interviews, the next step is to classify the risks that have the potential to threaten Brewandy's operational effectiveness Coffee. The risk grouped into three main categories, namely natural or environmental factors, human factors, and system and infrastructure factors.

Tabel 2. Identification of Possible Risks

Factor	ID	Possibility Risk
Nature/environment	R001	Earthquakes, floods, landslides, or storms that could damage facilities, disrupt operations, or endanger safety.
	R002	Extreme temperatures, droughts, or rising sea levels can impact activities and resources.
	R003	Industrial waste or chemical leaks can pollute air, water or soil, causing ecological and health harm.
Man	R004	Noisy environment
	R005	Mistakes made by employees
	R006	Infectious diseases, work injuries, or poor working conditions can reduce productivity and increase absenteeism.
	R007	acts of sabotage, theft, or fraud committed by individuals within the organization.
	R008	Strikes, conflicts between employees, or high turnover rates due to job dissatisfaction.
Systems and Infrastructure	R009	Customers who are dissatisfied with employee performance
	R010	Distribution delays, disruptions to transportation networks, or supply chain issues that could

		impact operational continuity.
	R011	High dependence on a particular technology that, if it fails, is difficult to replace or repair quickly.
	R012	Media promotion No reach the target consumer
	R013	Short circuit or blackout electricity
	R014	Broken machinery, worn out infrastructure, or inability to meet operational standards due to inadequate maintenance.
	R015	IT system failures, hacking, or viruses that could disrupt operations or compromise company data.

Source: Tamara et al (2022).

During the risk identification stage, 15 potential risks were found originating from three main factors, namely natural or environmental factors, humans, and systems and infrastructure at Brewandy Coffee. After understanding the various possible risks, the next step is to take identification of the impacts caused by each risk. These impacts are then described in detail in Table 3.

Tabel 3. Risk Impact Identification

Factor	Possibility Risk	Impact
R001	Earthquakes, floods, landslides, or storms that could damage facilities, disrupt operations, or endanger safety.	Production activities may stop temporarily or long term due to damage to facilities and equipment.
R002	Extreme temperatures, droughts, or rising sea levels can impact activities and resources.	Extreme temperatures can make the working environment uncomfortable, especially in sectors that involve outdoor work.
R003	Industrial waste or chemical leaks can pollute air, water or soil, causing ecological and health harm.	Hazardous waste from damaged facilities can pollute the environment, requiring significant remediation efforts.
R004	Noisy environment	Noise disrupts focus, causing workers to make more mistakes and work slower.
R005	Mistakes made by employees	Employee errors can hinder workflow, causing production or service delays.
R006	Infectious diseases, work injuries, or poor working conditions can reduce productivity and increase absenteeism.	Poor working conditions, such as exposure to pollution, incorrect working posture, or high work pressure, can trigger long-term health

		problems.
R007	Acts of sabotage, theft, or fraud committed by individuals within an organization.	Theft of assets, funds, or valuable information can result in significant financial losses.
R008	Strikes, conflicts between employees, or high turnover rates due to job dissatisfaction.	Strikes and labor conflicts can cause delays or complete shutdowns of company operations.
R009	Customers who are dissatisfied with employee performance	Dissatisfaction can lead customers to choose competitors, leading to a decline in the customer base.
R010	Distribution delays, disruptions to transportation networks, or supply chain issues that could impact operational continuity.	If raw materials or components are late, the production line may be disrupted or temporarily halted.
R011	High dependence on a particular technology that, if it fails, is difficult to replace or repair quickly.	Reliance on a single technology or system leaves a company vulnerable to disruption if that technology fails or fails to function as intended.
R012	Media promotion No reach the target consumer	If the promotional media is not targeted properly, the marketing message will not attract the attention of relevant consumers, causing a decrease in sales and potential revenue.
R013	Short circuit or blackout electricity	Power outages or short circuits can halt the production process, leading to financial losses and delays in product delivery.
R014	Broken machinery, worn out infrastructure, or inability to meet operational standards due to inadequate maintenance.	Broken machinery or worn-out infrastructure can cause disruptions in the production process, leading to decreased output volumes and delays in order fulfillment.
R015	IT system failures, hacking, or viruses that could disrupt operations or compromise company data.	Broken machinery or worn-out infrastructure can cause disruptions in the production process, leading to decreased output volumes and delays in order fulfillment.

Source: Tamara et al (2022).

After the risk identification and impact process is complete, the next step is to conduct a risk analysis. At this stage, we assess the probability and impact of each previously identified risk. This assessment will be a reference for compiling further risk analysis. We use a rating scale that refers to the frequency of the possibility of a risk occurring. In the probability table, there are five criteria that describe how often a risk can occur, which will help in determining the priority of actions that need to be taken.

After to obtain evaluation probability and impact, the next step is to do evaluation of the potential risks that have been identified at Brewandy Coffee. This assessment aims to determine

how much influence each risk has on the shop's operations based on its probability and impact. Table 6 is then used to illustrate assessment of these risks. In this table, each risk is assigned a score or category to indicate level severity and likelihood of occurrence, which will then form the basis for developing appropriate mitigation strategies.

Tabel 4. Risk Probability Assessment

ID	Possibility Risk	Mark	Impact	Mark
R001	Earthquakes, floods, landslides, or storms that could damage facilities, disrupt operations, or endanger safety.	3	Production activities may stop temporarily or long term due to damage to facilities and equipment.	4
R002	Extreme temperatures, droughts, or rising sea levels can impact activities and resources.	4	Extreme temperatures can make the working environment uncomfortable, especially in sectors that involve outdoor work.	3
R003	Industrial waste or chemical leaks can pollute air, water or soil, causing ecological and health harm.	3	Hazardous waste from damaged facilities can pollute the environment, requiring significant remediation efforts.	5
R004	Noisy environment	1	Noise disrupts focus, causing workers to make more mistakes and work slower.	4
R005	Mistakes made by employees	1	Employee errors can hinder workflow, causing production or service delays.	5
R006	Infectious diseases, work injuries, or poor working conditions can reduce productivity and increase absenteeism.	4	Poor working conditions, such as exposure to pollution, incorrect working posture, or high work pressure, can trigger long-term health problems.	4
R007	Acts of sabotage, theft, or fraud committed by individuals within an organization.	2	Theft of assets, funds, or valuable information can result in significant financial losses.	2
R008	Strikes, conflicts between employees, or high turnover rates due to job dissatisfaction.	4	Strikes and labor conflicts can cause delays or complete shutdowns of company operations.	4
R009	Customers who are dissatisfied with employee performance	1	Dissatisfaction can lead customers to choose competitors, leading to a decline in the customer base.	4

R010	Distribution delays, disruptions to transportation networks, or supply chain issues that could impact operational continuity.	1	If raw materials or components are late, the production line may be disrupted or temporarily halted.	3
R011	High dependence on a particular technology that, if it fails, is difficult to replace or repair quickly.	4	Reliance on a single technology or system leaves a company vulnerable to disruption if that technology fails or fails to function as intended.	2
R012	Media promotion No reach the target consumer	4	If the promotional media is not targeted properly, the marketing message will not attract the attention of relevant consumers, causing a decrease in sales and potential revenue.	2
R013	Short circuit or blackout electricity	4	Power outages or short circuits can halt the production process, leading to financial losses and delays in product delivery.	3
R014	Broken machinery, worn out infrastructure, or inability to meet operational standards due to inadequate maintenance.	4	Broken machinery or worn-out infrastructure can cause disruptions in the production process, leading to decreased output volumes and delays in order fulfillment.	5
R015	IT system failures, hacking, or viruses that could disrupt operations or compromise company data.	3	Broken machinery or worn-out infrastructure can cause disruptions in the production process, leading to decreased output volumes and delays in order fulfillment.	4

Data source: Researcher, 2024.

The next step is to take a risk assessment of the potential risks that have been analyzed previously. In this stage, the identified risks are evaluated using a rating matrix based on the ISO 31000 guidelines, which divides risks into three severity categories: high, medium, and low. This assessment is based on a combination of the probability of the risk occurring and the impact it causes. The rating matrix helps prioritize risks that need to be addressed immediately. The results of the risk assessment using the matrix are shown in Table 7, which illustrates the distribution of risks in their respective level categories, facilitating the mitigation steps that must be taken.

Tabel 5. Risk Evaluation Matrix based on Probability and Impact

Probability	Very rarely	5				
	Seldom	4	R011 R012	R002 R013	R006 R008 R001 R015	R014 R003
	Sometimes	3				
	Seldom	2	R007			
	Very rarely	1		R010	R004 R009	R005
	Impact		1 No effect	2 small	3 Currently	4 Big

Data source: Researcher, 2024.

After map potential risk into matrix based on probability and impact, steps the next step is to compile Table 7, which contains the groupings. of 15 potential risks into three risk level categories: high, medium, and low. This grouping is done to determine priorities. risk management by considering level urgency and its impact on Brewandy's operations Coffee. With this approach, the risks that fall into the high category will be the focus main mitigation, while medium and low risks will handle with strategies appropriate to its level.

Tabel 6. Risk Grouping Based on Level

ID	Possible Risks	Likelihood	Impact	Risk Level
R001	Earthquakes, floods, landslides, or storms that could damage facilities, disrupt operations, or endanger safety.	3	4	Intermediate
R002	Extreme temperatures, droughts, or rising sea levels can impact activities and resources.	4	3	Intermediate
R003	Industrial waste or chemical leaks can pollute air, water or soil, causing ecological and health harm.	3	5	Tall
R004	Noisy environment	1	4	Intermediate
R005	Mistakes made by employees	1	5	Tall
R006	Infectious diseases, work injuries, or poor working conditions can reduce productivity and increase absenteeism.	4	4	Low
R007	Acts of sabotage, theft, or fraud committed by individuals within an organization.	2	2	Tall

R008	Strikes, conflicts between employees, or high turnover rates due to job dissatisfaction.	4	4	Intermediate
R009	Customers who are dissatisfied with employee performance	1	4	Intermediate
R010	Distribution delays, disruptions to transportation networks, or supply chain issues that could impact operational continuity.	1	3	Low
R011	High dependence on a particular technology that, if it fails, is difficult to replace or repair quickly.	4	2	Intermediate
R012	Media promotion No reach the target consumer	4	2	Intermediate
R013	Short Circuit or blackout electricity	4	3	Tall
R014	Broken machinery, worn out infrastructure, or inability to meet operational standards due to inadequate maintenance.	4	5	Intermediate
R015	IT system failures, hacking, or viruses that could disrupt operations or compromise company data.	3	4	Intermediate

Data source: Researcher, 2024.

Brewandy Coffee has implemented fairly good risk management practices compared to industry standards, especially ISO 31000. However, there are still some aspects that need to be improved to be more effective. In terms of risk identification, Brewandy Coffee uses the *Risk and Self Control Assessment* (RSCA) approach, where risks are categorized based on their severity: high, medium, and low. Their main focus is on electrical operational risks, such as waste pollution and disturbances, with data obtained from consumers, owners, and employees. This approach is quite effective, but can still be strengthened by using more analysis tools such as SWOT or *checklist*, as well as considering a broader risk strategy in accordance with ISO 31000 recommendations. In risk analysis, Brewandy Coffee assesses risks based on the frequency of occurrence and impact using qualitative data from interviews and questionnaires. Mitigation measures currently implemented include employee training and installation of CCTV. However, the ISO 31000 standard recommends a more systematic approach, including a combination of quantitative and qualitative analysis using tools such as *risk matrix* or scenario simulation. By integrating quantitative methods, Brewandy

Coffee can obtain more measurable and objective results in managing risks. In risk evaluation, Brewandy Coffee prioritizes risks based on their severity and immediately takes the necessary mitigation actions. Although this step is quite good, risk evaluation should also consider *risk appetite* or the level of acceptable risk so that the mitigation strategy is more aligned with the company's long-term goals. Currently, Brewandy Coffee has not fully adopted this approach, although the priorities set are quite relevant.

For risk mitigation, Brewandy Coffee has implemented various steps, such as the preparation of SOPs, periodic training, and the installation of backup generators. However, there are several aspects that can still be improved, such as the use of insurance to protect against environmental risks or SLA contracts with suppliers to minimize disruptions in the supply chain. These steps are in accordance with the principles of ISO 31000 which emphasize cost efficiency and the desire to mitigate risks. In terms of monitoring and evaluation, Brewandy Coffee has conducted periodic evaluations of employee training and facility inspections. Although this approach is quite good, its effectiveness can still be improved by implementing technology such as a *risk dashboard* that allows real-time risk monitoring in accordance with ISO 31000 recommendations. Overall, Brewandy Coffee's risk management practices have met the basic principles of ISO 31000. However, to achieve a more professional level, the company can adopt technology in risk tracking and mitigation, add quantitative analysis for more accurate measurements, and integrate mitigation strategies with the company's vision strategy. With this adjustment, Brewandy Coffee will be better prepared to manage risks effectively and maintain its business desires.

One of the main weaknesses in Brewandy Coffee's risk management is the lack of quantitative analysis. Currently, the methods used are still predominantly qualitative, such as interviews and observations, so that risk analysis is less objective and measurable. Although Brewandy Coffee has provided probability and impact scores for each risk, the methodology used in determining these values has not been explained in detail, making it difficult to assess its objectivity and consistency. In addition, the approach used still has a limited strategic focus. There is no discussion linking risk management practices to the company's long-term strategic objectives. Important concepts such as *risk appetite* and alignment of mitigation strategies with the company's vision, which are emphasized in ISO 31000, are also not fully explained and implemented. Another weakness is the overemphasis on operational risks. The analysis focuses more on risks such as waste pollution and power outages, while broader strategic risks, such as regulatory changes, shifting market trends, or technological disruptions, are not given sufficient attention. Yet these risks can have a significant impact on the long-term sustainability of the business. In terms of mitigation, the steps taken by Brewandy Coffee are still limited to basic strategies, such as employee training and CCTV installation. There are no advanced mitigation strategies, such as the use of insurance to protect the company from environmental risks, scenario analysis to prepare for possible disruptions, or SLA contracts with suppliers to maintain the continuity of raw material supplies. Finally, the use of technology in risk management is still very minimal. There has been no discussion about the use of digital tools, such as risk dashboards and predictive analysis, which can help companies monitor and manage risks more effectively and in real time.

To improve the effectiveness of risk management, Brewandy Coffee needs to integrate quantitative analysis into risk assessment. The company can use methods such as weighted risk assessment or scenario simulation to increase the objectivity of the analysis. In addition, techniques such as Monte Carlo simulation or sensitivity analysis can be used to obtain more accurate predictions of risk impacts. Furthermore, strategic risk analysis needs to be expanded. In addition to operational risks, Brewandy Coffee must begin to identify other broader risks, such as regulatory changes, market dynamics, or technological innovations that have the potential to impact the business. Risk management also needs to be linked to the company's long-term vision and goals to be more relevant in supporting business sustainability. Mitigation strategies also need to be strengthened. Brewandy Coffee can consider using insurance to protect the company from financial and environmental risks. In addition, scenario analysis can be carried out to anticipate various

possible disruptions and prepare backup strategies. The implementation of SLA contracts with suppliers can also help reduce the risk of disruptions in the supply chain. In terms of monitoring, the use of technology must be increased. Brewandy Coffee can use a digital-based risk dashboard to monitor risks in real time and take action faster. In addition, predictive analysis can be used to identify risk trends that may occur in the future. Regular IT audits can also help improve data security and avoid cyber threats.

By implementing these recommendations, Brewandy Coffee can improve its risk management system to be more in line with the ISO 31000 standard. In addition to improving operational efficiency, these steps will also help the company face future business challenges with greater readiness and responsiveness. Stronger risk management not only protects the business from potential losses, but also increases competitiveness and customer trust, thus ensuring long-term business sustainability.

CONCLUSION

Effective risk management is essential for Brewandy Coffee to enhance business resilience, sustainability, and customer trust. Key measures include adopting real-time risk monitoring, diversifying suppliers, implementing strict data security, and providing regular employee training. By aligning risk mitigation with its strategic vision, Brewandy Coffee can ensure operational stability and long-term growth. These strategies are adaptable for MSMEs across sectors to improve efficiency and mitigate challenges effectively.

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