

A real-world example of a strategic risk management decision is Coca-Cola's response to the risk of water scarcity. Not only did it enhance the company's resilience to water-related risks, but it also improved operational efficiency, reduced costs, and strengthened relationships with stakeholders. Coca-Cola implemented various strategies, including water conservation initiatives, community engagement programs, and partnerships with local governments and NGOs to address water scarcity issues in its operations and supply chain.