

An Overview of Risk Types and Risk Management Strategies to Improve Financial Performance

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Abstract : Financial risk management is critically important as it enables companies to maintain stability and profitability amidst market fluctuations and unexpected events. It involves the precise identification of risks that could impact investments, assets, and potential revenues. By implementing effective risk management strategies, companies can insure themselves against adverse market changes and prevent potential losses. In today's era, where markets are highly complex and influenced by various factors such as macroeconomic policies, exchange rate fluctuations, and natural disasters, the need for meticulous planning to cope with these uncertainties is more pronounced. Ultimately, financial risk management means being prepared for the future and the ability to sustain business in changing environments. A company capable of managing its risks not only achieves sustainable profitability but also gains the confidence of shareholders, investors, and business partners, enhancing its competitive position in the market. In this article, the types of financial risk and risk management strategies for improving financial performance were investigated. By identifying the risks stated in this article and their evaluation techniques, it is possible to improve the organization's financial performance.

Keywords : strategy, risk, risk management, financial performance

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