Risk Lab

What is the Risk Lab?
It is a course available to Kellogg MBA students that are interested in the evaluation of risks in business. Risk Lab is not about just risk management or risk avoidance, but developing analysis and frameworks that aid a firm in selecting and accepting the risk that is appropriate for the firm's goals and growth targets. Students must take specific prerequisites and have strong academic performance in such classes to take the Risk Lab. Students work in teams to resolve a real-work business problem, focused on a risk to a firm or industry.

What do you mean by Risk?
It is meant to be broad. Projects in Risk Lab have included examination of risks in market entry, product introduction, and operations. Projects have also looked at external risk forces, such as the impact of macroeconomic conditions on a firm, reputational risks arising from critical constituents, and risks from disruptive technologies.

How does my organization benefit from this opportunity?
The Risk Lab is an intensive and quantitative elective that attracts some of our most analytically talented MBA students. It is expected that the student group will commit about 400 working hours to the project. Additionally, the student project will be overseen by Professor Russell Walker.

We expect that the project deliverables, recommendations, and report will provide direct value to your organization. However, we also believe that the project provides your organization and opportunity to determine how and where to invest in more analytics. If this includes the acquisition of more analytical talent, the project provides an excellent conduit to members of our student body that are talented and interested in this space.

How does this experience benefit the students?
Kellogg MBA students taking the Risk Lab will work on a real-world problem under the direction of a Kellogg faculty member. The opportunity to apply analytical and economic theory and learn about a business, make recommendations, and bring together many aspects of their business education is unparalleled. We also ask that the students focus on how to communicate the results of their risk analysis in the context of business decision-making. For students interested in moving to an industry to deep in analytics after graduation or developing new business skills in analytics, this course will be very attractive.

How does the team work with my organization?
For the student team, the partnering company is a client. They will conduct their analysis and provide recommendations through a report and presentation in the same format and in the same
manner as a consulting service. The faculty member also serves as an important liaison between the partner and the student, serving to manage time commitments and negotiate deliverables. It is expected that the student team can meet with and speak with key members of your team that can help them answer questions relevant to the analysis.

**What about the data?**
To make this experience valuable to the students and the to solve the business problem at hand, we do need access to data. It is important that the data be available before the project begins. Additionally, the project should make use of “scrubbed” data, that is data that is free of specific information that would be sensitive or otherwise governed by a law, such as social security numbers of customers or names of customers.

**What types of business problems can be considered?**
As risk analysis is helpful in many business functions, we are open to many applications of risk. Specific business problems market forecasting, market entry, disruptive technologies, pricing, commodity analysis, supplier reliance, logistics, operations, inventory leveling, supply chain improvement, and scenario planning are sure to provide great opportunities for risk analysis.

**Will the analysis become public?**
The work between the students and your organization is considered confidential. If necessary, the students may be asked to sign a non-disclosure agreement. If this is necessary, we ask that the non-disclosure agreement be such that it does not prevent the students from seeking employment or from building on their experience gained on the project.

From time to time, such company-student projects lead to very interesting business lessons. As a leading business school, we are interested in sharing such lessons with our next generation students and business leaders. We do this through business cases. If such an opportunity exists with your project, we will seek your permission to relate the business lesson through a case study.

**How does my company participate?**
Please contact Russell Walker, Ph.D.
Via e-mail at russell-walker@kellogg.northwestern.edu
or via phone at +1 847 467 2148 or +1 224 515 6485.