

## **ABSTRACT**

*The aim of this qualitative research is to examine the implementation and the advantage of risk management based on ISO 31000. This research focuses on how PT X implements risk management to manage the coal price volatility risk. PT X is a company, which distributes heavy equipment in Indonesia, such as “z” brand. The purpose of this research is to conceive the commitment of PT X in implementing risk management, analyze how PT X manages the coal price volatility risk, and conceive the advantage which is gained by PT X after implementing risk management.*

*This research uses a case study approach in PT X. This research uses the result of interview process with several informants and company's document analysis as the data. The informants of this research are Risk Management unit of PT X and Risk Advisory unit of PT Y as the parent company of PT X. Those data were gained by having an interview process and direct observation in PT X.*

*The result of this research shows the suitability of the risk management implementation in PT X with ISO 31000. PT X starts the implementation of risk management by having a strong mandate and commitment. It is showed by the strong commitment from the top management, company's risk management culture, company policy related to risk management, and company's risk management organization structure. PT X manages the coal price volatility risk by implementing a series of process of identifying risk, analyzing risk, risk control, risk treatment, and monitoring and review. PT X gains several advantages of implementing risk management, such as obtaining assurance of the strategy implementation, providing information for decision-making process and strategy establishment, and embedding the risk awareness among managerial levels.*

*Keywords : risk management, risk, ISO 31000, coal price volatility.*