

Using the Geopolitical Risk Readiness Matrix

A Strategic Planning Tool for Farm Credit Board Directors

Purpose

To help directors connect global geopolitical trends to local lending realities and build resilience through informed strategic decisions.

1. Identify and Assess Risks

- Review each Risk Category (Conflict, Trade, Inflation, Supply Chain, Cybersecurity, Labor, Energy, Governance).
- Discuss how each one could affect your borrowers, balance sheet, and capital strategy.
- Record early warning indicators you already track — or should be tracking.

2. Score Each Risk

- Use the checkboxes to rate Impact: Low Medium High.
- Use the dropdown to mark your Current Readiness: Low / Medium / High.
- Identify where high-impact and low-readiness intersect — that's your red zone.

3. Prioritize for Action

- Use the Priority Ranking Table to select the top three risks needing board attention.
- Assign ownership, deadlines, and strategic actions for each.
- Consider which initiatives require new investment, contingency planning, or policy changes.

4. Integrate into Strategic Planning

- Bring the completed matrix into your annual strategic retreat.
- Incorporate insights into strategic goals, capital and liquidity planning, risk appetite statements, and governance reviews.

5. Review Annually

- Update the matrix every 12 months or when major geopolitical shifts occur.
- Use it to inform quarterly board education sessions and scenario-based discussions.

Quick Insight

“Boards that plan for uncertainty build stability. This matrix turns global volatility into strategic opportunity.”

— Dr. Mary C. Kelly, PhD, CSP