

## **ABSTRACT**

CV XYZ faces the problem of declining production performance due to operational risks, especially those caused by equipment damage. To overcome these problems, operational risk management is important to maintain the stability of the production process. This study uses the house of risk (HOR) approach to develop preventive measures aimed at minimizing the impact of these risks. HOR Phase 1 identifies and maps risk factors based on aggregate risk potential (ARP), allowing you to identify and prioritize critical risks with high potential for poor performance.

In HOR Phase 2, this study produces preventive actions focused on implementing a real-time production performance monitoring system. This system aims to reduce the frequency and impact of business disruptions and improve the efficiency of the production process. The results of the study show that by taking the right preventive measures, existing operational risks can be minimized and CV XYZ's production performance can be significantly improved.

Keywords – *Performance Decline, Preventive Action, House of Risk, Operational Risk, Performance Monitoring*