

Journal of Hospitality Financial Management

The Professional Refereed Journal of the International Association of Hospitality Financial Management Educators

Volume 12 | Issue 1

Article 11

2004

The Concept of Risk in Finance and Strategy: Are We Arriving at the Crossroads?

Melih Madanoglu

Michael D. Olsen

Follow this and additional works at: <https://scholarworks.umass.edu/jhfm>

Recommended Citation

Madanoglu, Melih and Olsen, Michael D. (2004) "The Concept of Risk in Finance and Strategy: Are We Arriving at the Crossroads?," *Journal of Hospitality Financial Management*. Vol. 12 : Iss. 1 , Article 11. Available at: <https://scholarworks.umass.edu/jhfm/vol12/iss1/11>

This AHFME Symposium Abstract is brought to you for free and open access by ScholarWorks@UMass Amherst. It has been accepted for inclusion in Journal of Hospitality Financial Management by an authorized editor of ScholarWorks@UMass Amherst. For more information, please contact scholarworks@library.umass.edu.

THE CONCEPT OF RISK IN FINANCE AND STRATEGY: ARE WE ARRIVING AT THE CROSSROADS?

Melih Madanoglu

Virginia Polytechnic Institute and State University

Michael D. Olsen

Virginia Polytechnic Institute and State University

ABSTRACT

This paper points out the divergence in treatment of risk in the fields of strategy and finance and seeks to encourage research that addresses this issue. The objective of the paper is to advocate a greater synthesis of these fields in order to create a greater understanding of how risk must be commonly viewed by both strategists and financial executives. This goal can only be accomplished by understanding how economic forces in the remote business environment affect demand for services and products that in turn affect the revenue streams of hospitality enterprises. This must be followed by a better understanding of the causal relationships that exist between the variables that affect the key value drivers associated with the cost structure of these enterprises.