

BUSINESS RISK MANAGEMENT LTD



Advanced Risk Management

- In today's fast moving economic climate, evaluating and managing risk is increasingly essential to the future success of any business.
- The business environment is changing, and as a result the risk profiles are changing rapidly.
- Risk Management has become a vital ingredient in the entrepreneurial culture needed to develop, expand and improve business performance.
- There is clear evidence that good risk management will add considerable value to the business.

Who Should Attend?

Any executive or manager tasked with developing, implementing or facilitating a business risk programme or anyone needing to demonstrate how successful management of risks can lead to significant competitive advantage

This 2-day course will enable participants to:

- Enhance understanding of risks and exposures faced
- Measure and quantify risks effectively
- Understand the key facets of an effective process
- Evaluate complex scenarios and emerging risks
- Determine appropriate risk measurement techniques
- Decide on the best method to record the risks and their relationships
- Experience risk evaluation using your own risks

Course Outline

Day 1 – Key facets of Business Risk Management

The Challenges

- Why senior management often lack a full understanding of the risks in their business.
- The role and responsibilities of Directors and line managers
- Definition of business risk and its nuances

- The widening of the risk portfolio
- Designing strategies and systems to suit the organisation
- Defining significance in relation to risk (in monetary and other terms)
- Establishing a business risk programme - the steps to success.
- Why business risk management is receiving such publicity
- High profile corporate failures and public embarrassments
- *Exercise 1 – the major risks in your organization*
- The Corporate Governance debate
- Explanation of the new ISO risk management standard 31000
- AUS/NZS 4360 standard + COSO + IRM standards
- The issues involved.

The Wider Business Agenda

- The need to understand the organisation's strategic objectives
- Developing a programme to reflect these objectives
- Understanding the organisation's risk appetite
- Categories of Risk
- The Risk management framework
- *Exercise 2 – analysing a disaster*

Establishing An Embedded Risk Management Process

- Why is risk such a hot topic?
- Surprises and risk
- Why financial risks are only the tip of the iceberg
- The widening of the risk portfolio
- The challenges- Basel, Governance, Non-Exec's liabilities etc
- The need to link risk management with strategic planning
- New and emerging Risks- Reputation, Social, Environmental etc
- Getting your Chief Executives support
- Developing a risk strategy for your organisation
- Establishing the business case
- Selling the benefits to management
- Risk and competitive advantage
- Risk workshops – the do's & don'ts

Risk Identification and Evaluation

- *Exercise 3 – An exercise to allow you to see risk taking in action*
- Approaches and techniques
- How to establish a risk workshop process
- The benefits of facilitation and the characteristics required
- The use of diagnostic questions and thought-provokers
- The pros and cons of using data capture technology
- How to identify, sift and group the risks

- Measuring the consequences and the likelihood of occurrence of each risk
- The use of risk matrices to prioritise the risks.
- Traffic light systems
- Risk Aggregation
- Monte Carlo simulation
- Bayesian Networks
- Key risk Indicators
- Scenario Planning
- Pareto principle
- Fault trees
- Getting your Chief Executives support
- Agreeing a common risk language
- Selling the benefits to management

Interactive Risk Workshop

- *Exercise 4 - An actual risk workshop – with your own risks*
- *Enabling you to appreciate all elements covered in a live situation*

Day 2 – Practical Risk Evaluation and mitigation

Assessment of Risk Mitigation

- Managing risk – the options
- Management evaluation of mitigation controls
- How to assess risk mitigation
- Identification of risk exposures
- Critical evaluation of exposures
- Dealing with the exposures (the 4 Ts - terminate, tolerate, treat or transfer)
- Establishment of action plans.

Interactive workshop –part 2

- *Exercise 5 - Risk mitigation and dealing with the exposures in practice*

Integrating The Output From Risk Workshops Into The Business Planning Process

- Linking corporate risks into the Strategic planning process
- Linking operational risks into service planning
- The Risk Continuum – from hazards to added value
- Crises – risk as a hazard
- Control gaps – risks without owners
- Avoiding personal liability – fear of failure
- Business objectives – critical risk focus
- Evaluating risk in Strategic development
- Enhancing decision making
- Improved service delivery and economy – value based risk optimisation

- The move from reactive to proactive risk management
- Risk owners – how to determine such personnel and enforce ownership
- Annual statements by risk owners
- Developing risk tracking
- Using the risk register as a decision skeleton
- Quarterly Board reporting to review progress in addressing the exposures
- Risk Management Committee reporting
- Half yearly evaluation of key risks to ensure new risks identified and included
- Reports for Senior Management - power point example will be shared
- *Exercise 6 – Team exercise to enable you to appreciate the emerging risks*

Recording The Risk Environment

- Risk registers – the need to coordinate and link the output
- Flagging interdependencies – if one risk treatment is changed the other party or parties impacted need to be notified.
- Risk treatment analysis – how to determine the cost/ benefits of dealing with exposures / exploiting opportunities
- Risk management as a route to reducing bureaucracy
- Coordinating assurance under the risk umbrella – a successful model will be shared
- How to use the risk process to break down the cultural barriers
- Making risk management second nature
- Keeping up the momentum
- Risk financing and how to introduce the disciplines
- Integrating incident management
- Business Continuity planning
- Integrating Health and Safety, Insurance and claims etc
- Measuring the benefits
- *Exercise 7 -Measuring the benefits*

Cascading the process

- Stakeholders interest in risk
- Workshops for other management levels
- How to measure the benefits
- Risk awareness for staff
- Sharing output with partners
- Evaluating risks within these relationships
- Auditing the Risk Management programme
- How to Identify and reduce excessive controls
- Feeding key risks up the organisation
- Coordinating the whole process
- Useful web sites and reference books