

ERM/Operational Risk

Design, implementation & collaborative project management

The Challenge

Your organization has made a decision to formally install some form of ERM or Operational Risk Management. You might have even tried ERM in the last few years only to have the process collapse after some initial success. There are so many ERM frameworks, ERM processes, ERM technologies, ERM advisors out in the marketplace and it is difficult to evaluate where you begin. In addition, you have to sort out the governance process, the political process, structure, resources, incentives, reporting, assessment, etc. It seems like an overwhelming project and it will be difficult getting any new resources to design or begin the process.

You are also concerned about the business unit managers and how they will react to a new process which might be perceived as one more unnecessary process in a long line of new business processes that just produce more business line fatigue. How are you going to execute the change management process that will be required and how are you going to address the cultural issues associated with installing a new operating process across all business units and functional groups?

The Solution.

Strategic Risk Partners (SRP) can deliver a project with milestones that will assist you in designing the ERM / OpRisk process. SRP can also install that process and can provide the ongoing collaborative project management that will institutionalize the process. There are several critical elements of success in making sure that the business receives the intended benefits they want from the new process. Many ERM /OpRisk programs have failed after some initial success due to:

- Lack of sustaining project management that can assure positive results
- Transition of assigned resources and the required re-training
- Poor collaboration among the business units and functional groups
- Ineffective risk organization structure and lines of authority
- Business line fatigue
- Lack of standardized risk taxonomy, assessments and quantification methods

Here is what we deliver:

SRP will provide guidance on best practices and models for design and business process. In addition, SRP will collaborate with the ERM /OpRisk team to install the process including, selling the business case for change & the business benefits.

SRP will collaborate in designing & installing:

- Organizational Risk Appetite and Framework
- Risk organizational structure & workflow
- Risk taxonomy including a risk & control library
- Standardized assessment and quantification methods
- Build Key Risk Indicators (KRI's)
- Economic Capital methods for allocations
- Systems and infrastructure evaluation & recommendation
- Communications & reporting methodology

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