



KEYS TO A FUTURE-READY ERM PROGRAM



Strong enterprise risk management (ERM) practices provide a clear picture of all your risks, so you can decide which to address and which to harness. Some risks are worth taking to gain competitive advantages and bring your organization fully into the future. Use these questions to assess the readiness of your current program.



DOES YOUR ERM PROGRAM ADDRESS THE FULL SPECTRUM OF RISK?



- » Can you evaluate risks by category – strategic, operational, financial, regulatory, etc. – in addition to the whole landscape?
- » Do you have comprehensive information for overall issues in each risk category?
- » Are you able to measure risks in terms of opportunities, not just threats?
- » Do you have a plan in place to allocate precious resources to manage risk during an economic downturn, natural disaster, or other crisis?



ARE YOU POSITIONED TO ADOPT NEW, ADVANCED TECHNOLOGIES?



- » Do you have the right resources, expertise, and confidence to adopt leading-edge technologies?
- » Have you established best practices for using automated processes?
- » Does your automated technology strategy unify risk management and mitigation processes across the organization?
- » Do you know how to glean meaningful insights from the data your new technology produces?
- » Is your ERM program designed to deliver employee training on new technologies, processes, and procedures?

IS YOUR ERM PROGRAM ALIGNED WITH IT, TO CONSOLIDATE AND PRIORITIZE RISKS?



- » Does your IT team have clear visibility into risks across the organization, consistent with other teams' access/awareness?
- » Are there methodologies within the IT function that help with efficiencies and mitigating mushrooming cyber-risks?
- » Does the ERM platform promote collaboration across functional areas and support hybrid work models?



ARE RISKS UNDERSTOOD ACROSS ALL BUSINESS LINES – NOT JUST RISK TEAMS?



- » Has ownership of risks been assigned to specific roles or individuals?
- » Do programs rely on a few key stakeholders, or is risk management everyone's job?
- » Is there a cross-functional team that connects the dots between the risks across all business lines?
- » Do you promote a mindset that looks at risk in a way to develop innovative products or services?

ARE YOU REGULARLY REVIEWING AND OPTIMIZING YOUR ERM SETUP?



- » Is your ERM program based on established guidelines from leading risk frameworks?
- » Have you established standard definitions of risks?
- » Do you conduct periodic (quarterly or annual) ERM risk and efficacy assessments?
- » Is identifying and managing risks across all business domains a continuous process that every member of the organization has a stake in?



ARE YOUR EXECUTIVES AND BOARD ENGAGED IN ERM OVERSIGHT?



- » Is there a C-suite sponsor to serve as a liaison between the ERM team and the board of directors?
- » Do the executive suite and board have an appetite to take risks aimed at gaining competitive advantages – and the perspective to do so within reason?
- » Do you have a governing authority that is responsible for proactively implementing, reporting on, and sustaining the ERM initiative?
- » How deep of an understanding do leaders have of the top risks, the design of the ERM program, and how it supports business objectives?

Want to strategically optimize your ERM program?

CohnReznick's team helps clients develop strong ERM programs that position them to better identify and respond to today's challenges. Contact us today to get started.

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