Risk Management 101

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Agenda:

1. What is Risk Management?
2. Terms
3. A Process to take Home
4. Assessing Risks & Selecting Strategies
5. Developing a Plan
6. Gaining Commitment

Objectives:

1. Understand the definition of Risk Management
2. Be familiar with terms and strategies
3. Be exposed to the Risk Management process
4. Understand a Risk Management Plan
5. Understand some keys to success
6. Know where to go for help

What is Risk Management? - *Traditional*

- Identifying
- Assessing
- Controlling losses

The Evolution of Risk Management
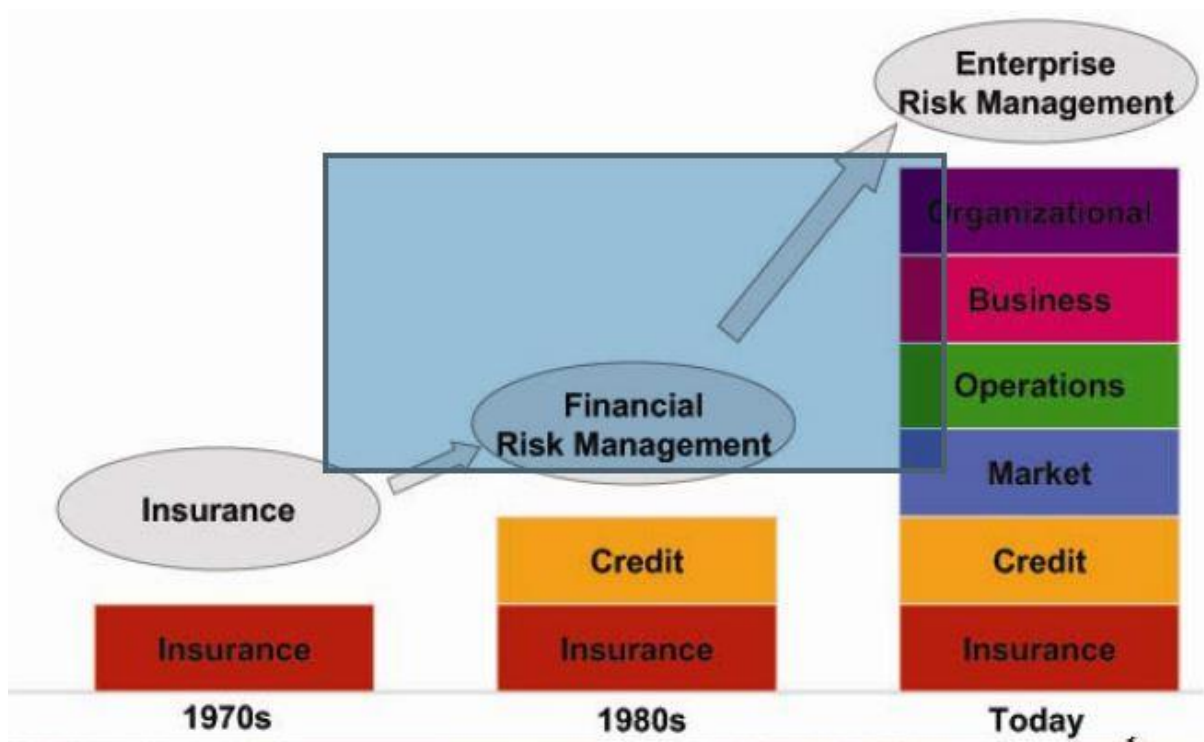
What is Risk Management? – *Enterprise*

- Enterprise risk management (ERM) is the process of planning, organizing, leading, and controlling the activities of an organization in order to minimize the effects of risk on an organization's mission.
- In ERM the process includes not just risks associated with accidental losses, but also financial, strategic, operational, and other risks.
- ERM integrates concepts of strategic planning, operations management, and internal control in an organization's risk management plan.

Terms

Eliminate - can we say no?

Reduce - how can we change it?

Transfer - can we give it to someone else?

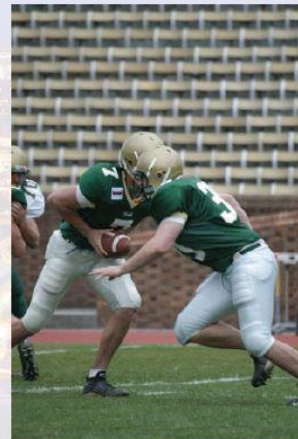Retain – are we ready to totally accept it?

Reduce - how can we change it?

- Mission
- Objectives
- Alternatives
- Prevention
- Reduction

Transfer - can we give it to someone else?

- Contracts
- Hold Harmless
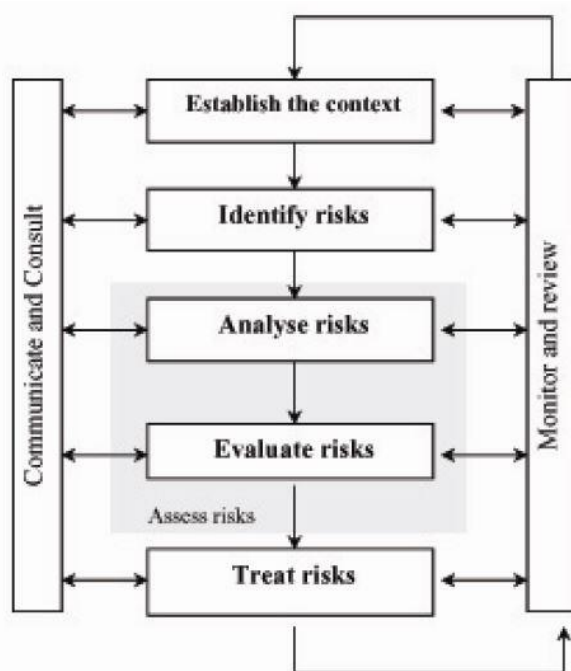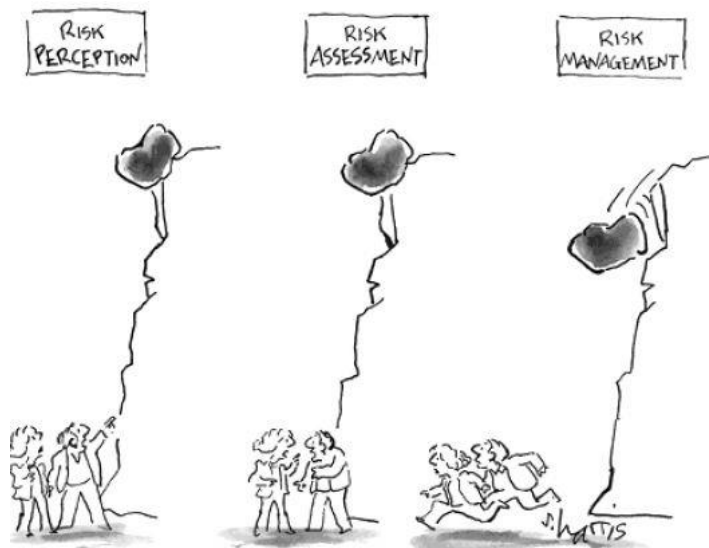- Waivers
- Insurances

Retain – are we ready to totally accept it?

- Mission
- Policies& Procedures
- Standards, guidelines, rules
- Insurances
- Finance

Process

- Identification
- Assessment
- Strategies
- Plan
- Monitor

Identification

- **Common Sense**
- **Resources**
- **External Data**
- **Internal Data**

"OH, OH — IT'S ON PAGE ONE!"

Assessment

- **Analysis**
  - **Frequency**
  - **Severity**
- **Evaluation**
- **Mission**
- **Values**

"HERE'S THE GROUND RULE: DON'T TELL ME WHAT I SHOULD HAVE DONE."

Strategies

- **Eliminate**
- **Reduce**
- **Transfer**
- **Retain**

"'BE CAREFUL'! ALL YOU CAN TELL ME IS 'BE CAREFUL'?"