

# **Enterprise Risk Management**

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### **Introduction**

Risk is an indispensable element of any business enterprise. If a given foreseen or unforeseen risk is properly identified, examined, measured and managed, it would bring and augment growth and opportunity for the enterprise. The business enterprise risk management is the process of recognizing or identifying various associated risks, assessing or evaluating the impact of risk and prioritizing the various issues of potential risk. Once the risk issues are identified and the impact is assessed, the enterprise needs to effectively coordinate and economically strategize in order to mitigate or hedge the relevant risks and opportunities to the organization. This is effectively done by minimizing, monitoring, and controlling the probability and impact of occurrence of adverse events. If this is done with responsibility and effectively, business enterprises can guard and generate value for their owners, employees, customers, regulators, and the economy as a whole.

The International Organization for Standardization (ISO) has noted that enterprise risk management is an integral part of organizational process which creates value not only for the enterprise but also for the consumers. Further, it notes that risk management is an essential part of decision making which implicitly and explicitly addresses the problem of risk and uncertainty. In view of the inherent potential risk and uncertainty in the modern global era, the business enterprises are expected to have systematic and structured risk and uncertainty mitigating strategies based on the best available information which can be tailored as per the need of the enterprise. The risk mitigating strategies should be dynamic, iterative and responsive enough to absorb the relevant and perceived shock.

Depending up on the need, several risk mitigating strategies have been designed from time to time. For example, we have price and credit risk transferring vehicles. Basically, these strategies use instruments which reallocate financial risks to those who are less averse to them or who have offsetting exposure, and who are presumably better able to shoulder them. However, some features of many risk management vehicles/strategies have come under severe criticism mainly for imposing heavy cost on the insurer and for having no measurable improvement on risk. This warrants risk transferring and risk mitigating innovations in the area of enterprise risk management.

With this aforementioned backdrop, the proposed training program intends to develop and enhance professional expertise and understanding of mechanism of designing and usage of various specific risk mitigating options and strategies. The program intends to instruct and impart

risk mitigating and hedging techniques based on real cases which a given business enterprise can effectively use to enhance its profitability in the present as well as in future with reference to their specific risks. Further, this training program will enable the professionals to enhance and develop competence in this emerging area of risk management and offer value added services to their respective organizations.

## **Programme Objectives**

To understand the process of enterprise risk management and examine the different types of risks faced by financial and non-financial corporations and learn how to measure, manage and mitigate these risks.

## **Programme Content**

- Enterprise Risk Management (ERM): An Introduction and Overview
- ERM and Its Role in Strategic Planning and Strategy Execution
- ERM Frameworks: The Risk Management Process
- ERM Tools and Techniques: Management and Measurement of various types of financial and non-financial risks.
- Financial Risk Management and Hedging Strategies.
- Enterprise Risk Reporting.

## **Target Group**

This training program is for a number of audiences: the competent practitioners who may be looking to broaden their approach; board members; non-executive directors who want to become more familiar with the processes and concepts of enterprise risk management; company risk directors; project risk management practitioners wishing to extend their skills; business analysts; change agents; and graduate and undergraduate students. Apart from this professionals engaged in international business, institutions and executives engaged in public and private sector enterprises, officers of public and private sectors banks, officials working in export and import organizations, export promotion councils, foreign trade promotion agencies and bodies, trade associations, consultant agencies can participate.