

Where are you on the Risk Management journey?

DNV-GL

START

SURVEY SAMPLE

The survey involved **1,563 professionals worldwide** in companies in the primary, secondary and tertiary sectors

APPROACH TO RISK MANAGEMENT

The top 3 drivers



COMPLIANCE WITH LEGISLATION, CODES, ETC



PART OF COMPANY POLICY



CUSTOMER REQUIREMENT

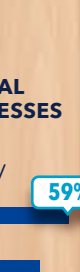
Focus on the different risk categories



Hazards



Operational



Financial



Business



Strategic
DESERVE MORE ATTENTION



SOCIAL TRENDS



MARKET CHANGES



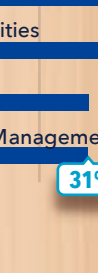
COMPETITION



DISRUPTIVE TECHNOLOGIES

FUNCTIONS AND DISCIPLINES AFFECTED BY RISK MANAGEMENT

Risk management application varies significantly among the different processes



OPERATIONAL SUPPORT PROCESSES

Quality Assurance/Quality Control

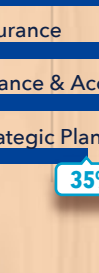
HSE & Security

Facilities

ICT

HR Management

31%



BUSINESS PROCESSES

Compliance

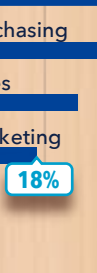
Legal

Insurance

Finance & Accounting

Strategic Planning

35%



PRIMARY PROCESSES

Operations

Product/Process Development

Purchasing

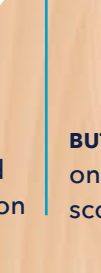
Sales

Marketing

18%

ORGANIZATIONAL LEVELS INVOLVED IN RISK MANAGEMENT

Risk management application varies among different levels



Board Room Members



Management Team



Middle Management



First Level Supervisors



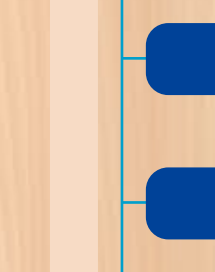
Shopfloor

2 IN 3 COMPANIES make use of a dedicated risk management function

BUT **40%** of these only have a limited scope coverage

GUIDANCE FOR RISK MANAGEMENT PROGRAMS

Organisations mainly apply in house approaches



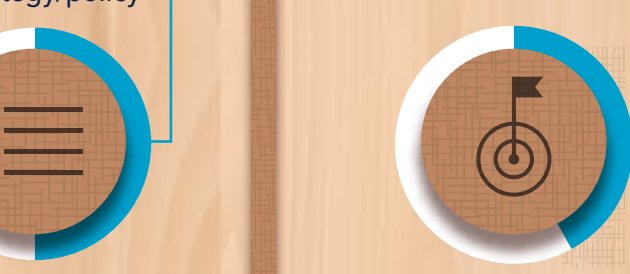
use at least partially a standard or guideline for risk management

METHODS AND TECHNIQUES

Risk management methods/techniques are known and used only by a minority



9% USAGE



Risk management top used methods/techniques

Risk identification

FMEA/FMECA

Risk analysis

Cause & effect

Risk evaluation

Pareto chart

Risk treatment

Brainstorming

Risk reporting

Risk registers

RISK MANAGEMENT RELEVANCE FOR COMPANIES' OVERALL BUSINESS STRATEGY



Relevance today



Relevance in 3 years from now

Risk management strategies and policies

1 COMPANY IN 2 already has a risk management strategy/policy

43% SET MEASURABLE GOALS

Maturity in risk management approach will significantly evolve

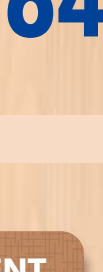


TODAY



3 YEARS FROM NOW

RISK MANAGEMENT AND MANAGEMENT SYSTEMS



ADD VALUE

A Management System based on structured risk management will bring added value

ASSESSMENT AND CERTIFICATION

Certification of a risk management program is valuable

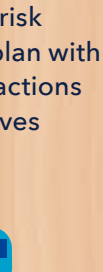


YES

INVESTMENTS IN RISK MANAGEMENT

Strong growth in middle term investments

Maintain or increase investments



A 10-STEP ROADMAP TO AN EFFECTIVE RISK MANAGEMENT APPROACH

1 Study the standard (e.g. ISO 31000)

2 Obtain commitment, support & budget

3 Define the risk management policy, objectives, roles and responsibilities

4 Define and document the risk management structure and processes

5 Identify, analyze and evaluate the most common and relevant risks

6 Establish a risk treatment plan with mitigating actions and objectives

7 Consolidate all of the above (risk management policy, objectives, etc.) in your organization's risk management system

8 Create awareness at all levels and train people

9 Plan and execute internal audits/assessments and identify possible improvements

10 Continual improvement of the risk management system and full integration in the overall Management System

Risk Management Roadmap

FINISH