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

- 71% COMPLIANCE WITH LEGISLATION, CODES, ETC
- 64% PART OF COMPANY POLICY
- 63% CUSTOMER REQUIREMENT

Focus on the different risk categories

- Hazards
- Operational
- Financial
- Business
- 42% 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

70% OPERATIONAL SUPPORT PROCESSES

- Quality Assurance/ Quality Control 59%
- HSE & Security
- Facilities
- ICT
- HR Management 31%

61% BUSINESS PROCESSES

- Compliance 45%
- Legal
- Insurance
- Finance & Accounting
- Strategic Planning 35%

60% PRIMARY PROCESSES

- Operations 46%
- Product/Process Development
- Purchasing
- Sales
- Marketing 18%

ORGANIZATIONAL LEVELS INVOLVED IN RISK MANAGEMENT

Risk management application varies among different levels

- 37% Board Room Members
- 46% Management Team
- 40% Middle Management
- 35% First Level Supervisors
- 30% 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

ONLY 36% 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

23% Awareness — 9% USAGE

77% Unawareness

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

36% Relevance today

52% 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

21% TODAY

48% 3 YEARS FROM NOW

RISK MANAGEMENT AND MANAGEMENT SYSTEMS

81% 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

64% YES

INVESTMENTS IN RISK MANAGEMENT

Strong growth in middle term investments

Maintain or increase investments 89%

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