

WORKSHOP 3

ERM Essentials for Decision Makers

Across industries, Enterprise Risk Management (ERM) is evolving into a catalyst for companies to increase transparency, safeguard shareholders' interest, leverage opportunities to strengthen their competitive advantage and comply with government reporting regulations. Corporations are adopting ERM as the new form of corporate governance and a Better Business Practice. This workshop will offer participants comprehensive coverage of drivers, tools, techniques and current issues relating to this emerging discipline.

Workshop Faculty:

David Ingram, Standard & Poor's

Prakash Shimpi, Towers Perrin

Mary Ellen Luning, Ernst & Young

Don Mango, GE Insurance

Valentina Isakina, McKinsey

Gary Venter, Guy Carpenter

Hubert Mueller, Towers Perrin

8-9:30 a.m. **Registration & Continental Breakfast**

9:30-11 a.m. **Lecture: ERM Fundamentals**

Join the first lecture session of this intensive workshop to hear industry experts discuss essentials and trends impacting the emerging practices of Enterprise Risk Management. Specifically, experts will explore:

- Definition and scope of ERM
- The important factors that are driving the spread of ERM and how ERM is changing and developing
- The impact of ERM on management practices including organizational objectives for pursuing ERM
- ERM's role in value creation
- Role of the Chief Risk Officer

11-11:30 a.m. **Networking & Refreshment Break**

11:30 a.m.-1 p.m. **Case Study: Critical Factors in ERM Implementation**

You have implemented SOX 404 - so why do you need ERM? Beware of rushing into ERM risk analytics unprepared or applying checklists. Even the most sophisticated risk measurement technology will not meet stakeholders' objectives if mechanically adopted without professional judgment. Creating a culture that embraces ERM will result in risk management decisions that increase economic value for a chosen risk appetite and time horizon. In this session you'll learn about critical elements of a successful ERM framework. Experts will discuss:

- Requirements for supportive internal environment
- Up the organizational ladder with ERM
- Critical organizational issues, alignment of incentives and responsibilities
- The difference between Sarbanes-Oxley and ERM
- Controlling and monitoring activities
- Effective execution - the difference between an extra expense and invaluable resource
- Case studies of failed ERM initiatives
- Best practices and ERM frameworks

1-2 p.m. **Luncheon**

2-3:30 p.m. **Lecture: ERM Tools and Techniques—Building Blocks of Success**

Increase your knowledge with the techniques and tools involved in the ERM process. You'll be introduced to the wide range of technical issues surrounding measurement and management of risks at the enterprise level. Experts will probe:

- Essentials of market, credit, operational and insurance/hazard risks, and the pitfalls of using a "silo" approach to risk management on the company bottom line
- Decision-making issues under uncertainty with sparse and fragmented data sources, and business intelligence trends
- Top-down vs. bottom-up. Risk aggregation and issues in allocating risks back to the business units
- Economic capital as a measure of the combined risk position of an enterprise
- Case studies of failed ERM initiatives
- Best practices and ERM frameworks

3:30-4 p.m. **Networking & Refreshment Break**

4-5:30 p.m. **Case Studies: ERM Implementation**

Take a look at a hands-on example focused on dealing with issues associated with creating a successful ERM framework. Building on the essential concepts addressed earlier in the day, the case study will provide practical answers to issues arising in this process. Expert panelists will cover:

- Differences in ERM awareness across different industries
- Elements of systems and data requirements
- Infrastructure issues
- Sample risk metrics report
- Understanding the behavioral and market drivers of poor decision making regarding risk
- Exploiting risks through diversification

6-8 p.m. **Reception & Exhibits**