

Global Risk Management Day

by Copenhagen Compliance*

March 11, 2021, Online Conference

Corporate risk functions – examples of ways to add value

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Agenda

1. Corporate risk functions – examples of ways to add value
2. Example I - How to sell risk and risk assurance services to potential clients
3. Example II - How to include risk management in offers and bids, risk as a competitive advantage
4. Example III – ERM operationalized for GDPR phase II (beyond policy, DPAs)

Anders Søborg profile

- 15+ years of experience as risk professional. Latest as Chief Risk Officer in ISS World Services with close to 500.000 employees



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Corporate Risk Functions – examples of ways to add value

Typical Corporate risk functions

Leading a risk management function is a journey which have to be aligned to the company's journey itself.

Chosen examples

Typical in place	Potential improvement areas to add value
<ul style="list-style-type: none">• High level risk policy with mission statement around risk management in general as well as reporting frequency	<ul style="list-style-type: none">• Link between risk policy and business strategy• Reference to policy framework, herein risk acceptance of non-compliance with internal risk management related procedures• Risk tolerance definition• Risk vs. Control framework vs. Compliance
<ul style="list-style-type: none">• Risk management procedures with guidance on basic risk assessments (matrix driven risk assessment – e.g. 5x5 ranges)	<ul style="list-style-type: none">• Analytics/mathematically approach to risk assessments• Stress testing of scenarios vs. risk tolerance and/or appetite
<ul style="list-style-type: none">• Risk management as safeguard	<ul style="list-style-type: none">• Risk management as business partner and internal/external services (e.g. risk management included in major business decisions – M&A, major business transactions/decisions)
<ul style="list-style-type: none">• Risk management reporting in heat maps including high level risk action plans	<ul style="list-style-type: none">• Risk exposure vs. ongoing control maturity and compliance level and progress on action plans.

Example I - How to sell risk management and risk assurance services to clients

- **Why:** Recent regulations as well as risk management trends (eg. Information security, GDPR, Supply chain risk) has increased focus on 3rd party risk management.
- **What:** Provide risk management and risk assurance transparency to clients with aim to improve business value positioning, act as trusted provider of products/services
- **How:** Deploy risk and compliance management to create risk management and compliance transparency – ideally linked clients/users value-chain
- **When:** Integrate in product/services



Example II - How to include risk management in offers and bids - risk as a competitive advantage

Why

Understanding your risk in commercial activities allows business to

- Reduce/avoid/transfer risk exposure
- Take additional risk and thereby improve your business attractiveness.

Understanding risk is not always on the top of the agenda amongst commercial teams, hence risk managers has a window of opportunity to act as a trusted advisor.

What

Supporting commercial success through risk management support.

How

Support commercial/operations /legal around quantifying risks related to commercial contracts and engagement.

This also implies risk strategies in case of deviation from standards (e.g. liability position, insurance terms, clients' requirements beyond standard or bespoke projects/solutions)

Lastly remember to setup governance (risk based) for when to be involved

Example III – ERM operationalized for GDPR phase II (beyond policy, DPAs)

Business Benefits – Risk Management and Compliance

- Risk exposure quantification based on data (bottom up based on own data analysis and potential fines/scenarios)
- Ongoing monitoring of compliance with key activities and controls
- Risk exposure monitoring through process
- Risk acceptance based on risk acceptance process and governance
- GDPR integrated into operations
- GDPR compliance management designed through risk management framework
- Complete data transparency and improved data quality

Business Benefits – Financial and tactical

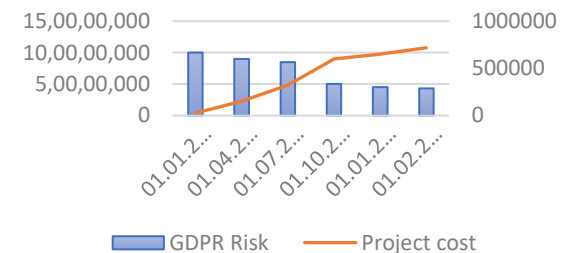
- Reduction of storage and data (hereby cost)
- Improved system performance
- Input to application strategy and usage of data for business usage
- Input to customer journey based on data journey
- Input to operational improvements beyond risk
- Input to data/reporting optimization
- Input to data governance

GDPR Risk and Compliance Management Dashboard – Illustrative Examples

- Ongoing monitoring of risk exposure and compliance status
- Used for internal management reporting and integrated in risk reporting
- Improved GDPR risk awareness and ownership in operations

GDPR Risk and Compliance Dashboard											
Business unit	Risk exposure		Key Control Compliance		Risk Acceptance		Vendor GDPR key control compliance				
	mDKK	Progress	Status	Progress	Pending	Approved	No. Vendor	DPA Signed	Compliance status	Progress	
Alfa	100	↑ -10	● 90%	↑ 15%	3	1	10	10	● 90%	↑ 15%	
Delta	90	↑ -20	● 85%	↓ 5%	2	0	5	4	● 75%	↓ 5%	
Gamma	22	→ -5	● 100%	↓ 0%	0	0	12	11	● 54%	↓ 0%	
Stella	5	↓ 1	● 80%	↓ 10%	1	0	2	0	● 20%	↓ 10%	

GDPR Risk Exposure Tracking Example



Questions?

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