



RESOURCE  
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## ENTERPRISE RISK MANAGEMENT

| PROFIT = REWARD FOR TAKING CALCULATED RISK |  
[www.resourceunlimited.info](http://www.resourceunlimited.info)

## **Would you Gamble with your Business?**



### **Of course NOT! Not if you can help it!**

*Internal and External Risks factors can damage your Capital. Being aware of all those Risks is the most important step towards effective risk management.*

*Then your next question would be...How does my Business make Profits? Isn't it known that you need to take risk to make profit?*

### **Yes, Profit = Reward for taking Calculated Risks.**

*'Calculated Risk' is what you have to take, and to take calculated risk you need to be aware of all those risk factors that can affect your business and then take appropriate steps to either eliminate or mitigate them.*

*Enterprise Risk Management product designed by Resource Unlimited is a Holistic approach to Risk Mitigation and Elimination.*

**Enterprise risk management (ERM)** in business includes the methods and processes used by organizations to manage risks and seize opportunities related to the achievement of their objectives. ERM provides a framework for risk management, which typically involves identifying particular events or circumstances relevant to the organization's objectives (risks and opportunities), assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress. By identifying and proactively addressing risks and opportunities, business enterprises protect and create value for their stakeholders, including owners, employees, customers, regulators, and society overall.

ERM can also be described as a risk-based approach to managing an enterprise, integrating concepts of strategic planning, operations management, and internal control. ERM is evolving to address the needs of various stakeholders, who want to understand the broad spectrum of risks facing complex organizations to ensure they are appropriately managed. Regulators and debt rating agencies have increased their scrutiny on the risk management processes of companies.

## Goals of an ERM program

Organizations by nature manage risks and have a variety of existing specialized departments or functions ('risk functions') that identify and manage particular risks. However, each risk function varies in capability and how it coordinates with other risk functions. A central goal and challenge of ERM is improving this capability and coordination, while integrating the output to provide a unified picture of risk for stakeholders and improving the organization's ability to manage the risks effectively



## Typical risk functions

The primary risk functions in large corporations that may participate in an ERM program typically include:

- Strategic planning - identifies external threats and competitive opportunities, along with strategic initiatives to address them
- Marketing - understands the target customer to ensure product/service alignment with customer requirements
- Compliance & Ethics - monitors compliance with code of conduct and directs fraud investigations
- Accounting / Financial compliance - which identifies financial reporting risks
- Law Department - manages litigation and analyzes emerging legal trends that may impact the organization
- Insurance - ensures the proper insurance coverage for the organization
- Treasury - ensures cash is sufficient to meet business needs, while managing risk related to commodity pricing or foreign exchange
- Operational Quality Assurance - verifies operational output is within tolerances
- Operations management - ensures the business runs day-to-day and that related barriers are surfaced for resolution
- Credit - ensures any credit provided to customers is appropriate to their ability to pay
- Customer service - ensures customer complaints are handled promptly and root causes are reported to operations for resolution
- Internal audit - evaluates the effectiveness of each of the above risk functions and recommends improvements.

## The Process:



The 4 step process of Risk Management starts with a **Risk Audit**.

Risk Audit helps in assessing and indentifying Vulnerabilities that can have huge impact on your Business. Typically the risk profiles are broadly classified in two areas viz. Internal Risks & External Risks.

**Evaluation** of these Risks is the most important step in any Risk Management exercise. Evaluation would mean measuring and further classifying the risk into

- A. High Risk & Immediate Threats
- B. Moderate Risks
- C. Low Risks

Classification and grading of the risks is necessary to create action plan to eliminate or mitigate these threats, starting with 'class A risks'.

**Managing and Measuring** the effectiveness of the standard operating procedures, policies & checks that were put in place to effectively manage risks, will be an ongoing process.

### Special Offer:

**Get a Free Risk Audit done and see the difference that it can make to your Business.**

**Call us now on +91 9766161616.**

