Enterprise Risk Management, commonly known as ERM, is the identification and mitigation of risks associated with a company’s strategic goals. An organization must align strategic goals and resources when implementing and maintaining a successful risk management program.

RubinBrown’s ERM 4 Phase Approach:

1. Phase I: Understand Client’s Expectations, Organization, and Strategic Objectives
2. Phase II: Define Key Risks and Risk Environment Assessment
3. Phase III: Develop/Assess Key Risk Mitigation Strategies
4. Phase IV: Communication and Continuous Monitoring

All Phases Aligned To Organization’s Strategic Goals
Phase 1: Understand the Organization’s Expectations and Strategic Objectives
- Understand the organization’s strategic direction
- Analyze common industry risks and competitors
- Identify or analyze key performance indicators, drivers, and processes associated with strategic plans
- Define impact and likelihood profile factors

Phase 2: Define Key Risks and Risk Environment Assessment
- Identify specific goals, objectives, and drivers to the strategic plans
- Identify the risks to achieving the specific goals, objectives, and drivers
- Develop risk indicators for each risk identified
- Perform a management assessment of the risk universe

Phase 3: Develop/Assess Key Risk Mitigation
- Link key risks to the organization’s current activities, processes, and locations
- Align key risks to the appropriate risk indicators
- Evaluate mitigation strategies and recommend improvement as needed

Phase 4: Communication and Continuous Monitoring
- Develop continuous organization-wide monitoring program over identified risks
- Develop risk management and reporting model consisting of:
  - Responsible personnel ("risk owners") for monitoring risks and risk indicators
  - Monitoring timeline which defines the frequency of assessment and reporting
  - Reporting requirements, includes the methods of gathering information from all risk owners and adjusting mitigation strategies as needed

Success Factors:
- Ensure ERM approach and infrastructure match the organization structure and style
- Educate continuously
- Align with strategy of the organization
- Establish executive and board commitment
- Assemble the strongest team possible
- Continuously improve risk management by focusing on business performance
- Develop quantification process to measure risk impact to value
- Coordinate enterprise-wide response to the most significant risks
- Sustain risk management and use it to create business value

Bio
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Mike is a Director in RubinBrown’s Business Advisory Services Group. He has over 20 years of experience in finance, management and internal audit. He has significant experience in a variety of industries including manufacturing, financial services, life sciences and retail. Mike’s area of expertise include process improvement/re-engineering, Enterprise Risk Management, and corporate governance.

Prior to joining RubinBrown, Mike led the internal audit department at TLC Vision, a laser-eye care provider. While at TLC Vision, Mike established the internal audit department, trained the Audit Committee on internal controls, SOX requirements, and overall governance principles. His other responsibilities included establishing the methodology and framework for the SOX compliance efforts.

Mike’s other practical experience include serving as a Regional Controller for Ralston Purina International, later spun-off as Agribrands, accounting manager and internal audit at Kellwood Company, and auditor for Coopers & Lybrand. RubinBrown is the largest accounting firm in St. Louis, with offices in Kansas City and Denver. Established in 1952, the Firm offers assurance, tax, and business advisory services.