

Bailey Jordan

Bruce:

Hello, I am Bruce Branson; I am the Associate Director of the Enterprise Risk Management Initiative at the North Carolina State University. I am joined today by Bailey Jordan; Bailey is a partner with Grant Thornton, and heads the national practice for the firm with Enterprise Risk Management. Bailey has agreed to talk to us today about challenges in launching the ERM program. Bailey, I guess I wanted, just based on your observations, if you could share a little bit of some of the big implementation challenges you've encountered.

Bailey:

Sure, Bruce. I think one in particular is, after you've developed your risk register and you've prioritized your risk, the question is, now what do I do? At this point you really just have list management, and so, do I take on the top three, or do I start with one, or do I need to try to address all 10, let's say, all 15, all at once. I guess, in my experience, I think starting with one, and assigning a risk owner, and getting some momentum around a risk and taking it through the process of what you want to do to treat that particular risk to a point where the residual meets your appetite and tolerance.

Bruce:

Can you help maybe us understand, again, just based on some of your interactions, 2 or 3 keys to success and getting the ERM program successfully launched?

Bailey:

Absolutely. Number one is CEO commitment and involvement. You hear that a lot, but it's true if you don't have that, it's very likely that, number one, may not even get off the ground, and if you do, it just may be a one time exercise. Even if it's something that's driven by the board or the audit committee, and the CEO is kind of arm twisted into it, it may still end being a check the box exercise, and again, not get the true value and benefit that you can get out of an enterprise risk initiative.

Bruce:

Sure. One of the questions we get a lot, and one you can help us with, is, just trying to articulate the value proposition, what are some of the things that you work with clients to help them sell a program launch?

Bailey:

I think, really, the value or the benefit to Enterprise Risk Management is, it gets people talking. So, it's an opportunity for departments, or functions, to kind of share their own strategic, objectives, or key initiatives for the year and let others hear outside of their group. It's really just getting people talking, and identifying those risks that may cut across these different silos.

Bruce:

We do hear that a lot, that really one of the big takeaways is this notion of just starting the conversation seems to be a really important aspect of the program.

Bailey:

It is. I think another benefit, you don't necessarily have to focus on risk as always being negative, I think looking at the opportunity side of risk, you know, what maybe new geography should we move into, or maybe what new product should we launch, so is having those discussions on some risks that maybe we should be taking, that we aren't doing.

Bruce:

I guess I just want to circle back one last time, if you have any final thoughts on, people who are getting starting, just again, overcoming some of those initial hurdles, if you have some thoughts on what would be helpful.

Bailey:

Sure. I think not trying to do too much too fast. Don't feel like you have to interview everyone in the company, or survey everyone. I think starting out with a top down approach, getting the senior, or executive leadership team, their thoughts on the keys risks and opportunities, and trying to pretty quickly get to a manageable risk register and then have some facilitated conversations with the executive leadership on the priorities. So I think that's something for sure that I would suggest. An the other thing is, you know, there are software tools out there that you potentially can leverage, although I think that's still kind of maturing and evolving. So those are a couple of things that come to mind.

Bruce:

That's fantastic. I really do appreciate you spending some time with us today. Thank you.

Bailey:

Thank you.