

Jeff Lewis

VIDEO LENGTH: 7:24

SPEAKERS

Bruce Branson, Jeff Lewis

Bruce Branson 00:07

Hi, I'm Bruce Branson. I'm the Associate Director of the Enterprise Risk Management Initiative at NC State University. I am speaking today with Jeff Lewis.

Jeff Lewis 00:17

Hello Bruce.

Bruce Branson 00:17

Hello. Jeff is the Chief Compliance Officer at Sinclair Broadcast Group. Really appreciate you spending some time with glad to be here.

Jeff Lewis 00:24

Thank you.

Bruce Branson 00:25

Thank you, Jeff. I wanted to talk a little today about kind of external sources of risk information that you might have found helpful. We know one area of enterprise risk management is trying to get some understanding around emerging risk issues, and hope you could share with us today just some of the sources that you found helpful, just in your job, and then also in informing your board and your senior leadership team about some of these emerging risks.

Jeff Lewis 00:49

So Bruce, we have a multi prong approach to identifying risk, and yes, we do reach out to third party sources. So first of all, let me give a shout out to NC State. You know, its report is very, very helpful, because it also breaks down the information in terms of size of the company and then different characteristics of the company. We've also looked at World Economic Forum. They come out with a report. Gartner Consulting. We have a Gartner Consulting subscription that comes up with a quarterly report. But that's just part of what we look at in terms of third party sources. We'll also reach out to consulting firms, particularly consulting firms that might be doing business with Sinclair. They're more willing, perhaps, to share their insights in terms of what they see as risk. And then finally, and most importantly, we have interviews. So we interview top business leaders within the company. And, you know, we learned something from the session today that ratifies our approach and that we try to have the interviews conversational and short and to the point, and we can use the third party sources sometimes to help prompt our interviewees in terms of what others are seeing in terms of risk.

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Bruce Branson 02:12

I wonder, do you ever, you ever get pushback when you are doing these interviews with your with your senior leadership, that that that risk isn't really relevant to us. It might have affected somebody else. But why are you bringing this to my attention? What do you do to help convince them that this is something relevant?

Jeff Lewis 02:29

So through time, that concern has eased up a bit, because this is now our third or so session of having the interviews, I think, at the beginning, when we first started, even though we provided background materials, the interviewees didn't really know what is all of this about. Now, I think there's more understanding and more support for our ERM program, and then in terms of understanding what we want from them, and then what we can provide to them as well.

Bruce Branson 02:59

That makes a lot of sense. Yeah, I wondered you mentioned the session that we were both in together today. I was really surprised by the short length of some of these interviews. Would you comment on the time you're able to spend with some of your senior leaders when you have these conversations?

Jeff Lewis 03:15

Well, first of all, we're dealing with very busy people. You're dealing with various levels, and quite a few very senior levels. So you have to be so mindful of their time, and then to the extent you can and the meeting notice itself provide a little bit of background or reminder. And then another thing I learned is, don't lead the conversation necessarily. You know, let them think of just overall what they see as obstacles. And I use the word obstacles or challenges because I agree with what was said earlier, that sometimes when you use the word risk, it has certain connotations, risk or liability. What it's all that about, fundamentally, what we want to understand is, you know, as it relates to the company's strategic objectives, what are some of the obstacles that you see that could frustrate your ability to meet your objectives? Your strategic objectives?

Bruce Branson 04:12

Fantastic. You mentioned one of the reports that the initiative puts out. I assume you're talking about kind of the the top 10 lists of risks on the horizon, yeah, where we are able to kind of cut that by industry and geographic region and the like. Could you talk a little more specifically about about how you use that when you are meeting with some of your folks?

Jeff Lewis 04:32

It's, it's such a good frame of reference. You know, simple things such as, how often do you report out the risk? Who do you report the risk to? Is it the audit committee? Is it the board itself? When we first established our program, we were able to cite that study to say this percentage of companies with revenues of this size have erm programs. But you know the one of the concerns... and I want to be careful about using the word concerns, but maybe one of the things that we have to supplement the NC State survey, it may not go into a lot of information in terms of risk in the broadcast TV business, so we have to accompany that by, for example, I will look at risk factors identified by some of our broadcasting

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competitors in their SEC filings. So interviews, third party sources combine it together to get, hopefully a targeted approach in terms of the information we want to get from leaders in identifying risk.

Bruce Branson 05:34

I wonder if you could, when you think about one of the things that's impressed us about the enterprise risk management community in general, has been a real willingness to kind of share best practices across folks in your in your seat, if you had some advice for others about you know, the the use of some of these external sources of risk information. Is there anything that you could, you could pass on that might be helpful or maybe even cautionary for someone that might be new in this role?

Jeff Lewis 06:01

Well, I think the main thing that comes to mind is because there are such excellent materials and references available, you don't have to reinvent the wheel and just information such as, not only the top risk, but a whole list of, you know, all of the significant risks, because then you can have a conversation. There might be a risk that's not a top 10 risk in this survey, but for us it might be. And then the other thing that's helpful about these third party sources in NC, state, you know, I think, as a ERM leader within Sinclair, you know, I'm really striving hard to identify those emerging risks out there that aren't on the radar yet but should be on our radar. I'll use AI Artificial Intelligence as an example. You know, a few years ago that just wasn't showing up on anybody's risk register, but now it's showing and who knows, it may come off, because it's turning into an opportunity. But those reports and NC State's information is helpful for us in identifying those information, that type of information, without trying to be clairvoyant.

Bruce Branson 07:12

This has been very helpful, Jeff, I appreciate you spending the time with us to talk about this again.

Jeff Lewis 07:15

Thank you again. Glad to be here.