

ERM VIDEO INSIGHTS

Transcript of Beverley Harrington and Bruce Branson *Getting an ERM Process Started*

Bruce: Hi, I'm Bruce Branson. I'm the Associate Director of the Enterprise Risk Management Initiative at NC State University. I'm speaking today with Beverly Harrington Leacock. Beverly's the Director of Enterprise Risk Management at Blue Cross and Blue Shield of North Carolina. We're going to talk today about getting started in ERM.

Beverley: Thank you for having me hear.

Bruce: Thank you. You've been working in the enterprise risk management function for some time at Blue Cross and Blue shield and I hoped you could share a little bit about the journey of ERM.

Beverley: So we at Blue Cross and Blue Shield continue on our enterprise risk management journey. We had quite a few successes within the last couple of years and I want to mention a few of them. One being our recent move from the audit function to the finance division. This has been a huge success for us, as we have more transparency into the business planning process. As well as we are now engaged in the early stages of key initiative through the organization. Another huge success for us, on our journey, is the escalation of our enterprise risk committee to our insurance leadership team. Prior to January 2017, our enterprise risk committee consisted of vice presidents and directors. And a huge success that I am very proud of, is the fact that enterprise risk management team does not have to be present for risk discussions. Risk discussions are happening without enterprise risk management team being present and it's happening very early on in the planning stages of key initiatives. And the information coming out of those discussions are being incorporated into project plans. So that's three huge successes for us as we continue in our enterprise risk management journey, that we are very proud of.

Bruce: That sounds great Beverley. Could you maybe describe a little bit about your primary role as director of the enterprise risk management program?

Beverley: The enterprise risk management team provides the framework, we enhance the framework, we provide training and guidance to management to aid them in integrating enterprise risk management throughout the organization and into key processes. The enterprise risk management team also facilitates discussions and enterprise risk management exercises. We also lead the efforts to comply with recent regulatory requirements or own risk solvency assessment that will be effective 01/01/2018. And we are the champion in leading the efforts to promote a culture of risk based decisions.

Bruce: That sounds great. Just in general, not just for Blue Cross and Blue Shield, but could you talk a little bit about your perceptions of the benefits that an ERM program can bring to really any organization?

Beverley: For us and my perspective, enterprise risk management, first of all, position and the organization to better manage uncertainties, reduce volatility, and add measurable value if integrated correctly. Enterprise risk management also positions the organization to communicate to the internal and external stakeholders on what we are doing to address risk. Enterprise risk management promotes risk awareness, as well as, provide an avenue for risk discussions and to assist the business owners in knowing what we are doing to address risk and what is being done to address risk so that business owners are not confused on, “okay we have this big risk out there, what are we doing?” Again, risk management provides that avenue and that structure so that everybody is informed in what we are doing to assess risk.

Bruce: That sounds fantastic. I know like any organization, I’m sure you had some challenges getting started, have you got some advice for an organization that is just getting started on the ERM path?

Beverley: Yes. Throughout our journey, we’ve encountered some pitfalls, we have some lessons learned. One lessons learned, well a couple of lessons learned that I would like to point out, first of all, enterprise risk management is not a sprint. It’s a journey. It’s not a one and done deal, it’s not a check-the-box. Secondly, enterprise risk management, in order for it to be sustainable, we have to ensure that is part of the culture. We want to also make sure that we get buy in from the top. It’s very important in the early stages of risk management, you involve the C-suite and you want to make sure you are not forcing enterprise risk management on the business owners. You want to make sure, again, to be sustainable. It is very important to maintain management buy in.

Bruce: That sounds like great messages for our audience. Beverly, thank you very much for spending some time with us today.

Beverley: You’re welcome, thank you.