Bruce Branson:
- Hi, I'm Bruce Branson, I'm the Associate Director of the Enterprise Risk Management Initiative at North Carolina State University. I'm joined today by Phil Maxwell, Phil is the Director of the Enterprise Risk Management program at the Coca Cola Company. He's here today to talk with us about the risk identification process that's been developed and a little bit about some of the education and training that he does. Thanks for being here Phil.

Phil Maxwell:
- It's good to be here, thank for the opportunity.

Bruce:
- So if you could talk just a little bit first about when you're engaging your business unit leaders in the risk identification process, what are some of the techniques that you found to be particularly effective?

Phil:
- So the first thing I'll say is you know, involving leadership in the risk identification is critical. So in particular I mean involving the entire cross functional team. So including someone from finance, from legal, from IT, and all functions. The reason it's important is because if you want to have an enterprise risk perspective you want to make sure you cast a net wide enough. So a couple things that seem to work is insuring, we call it, leveraging the collective experience in expertise of each of these leaders. And so what that means is, what we'll do sometimes is, we'll actually ensure, we'll bring in their expertise and their knowledge. So what we'll do is for, if you think about risk identification, you could do two different ways, so you could do kind of a white board, what are your top risks and you'll write them out. Alternatively you can actually do kind of a survey. So what we find is a hybrid approach works. So basically sending information maybe a short survey to the functional leader to get their mind thinking about top risk, kind of jump start the process and so that is one way to get them engaged, ensure you got their perspective. Probably the second technique is if you think about that as kind of like a one function perspective, the other thing that's important is to make sure that you have a cross functional team come together. So we'll ensure that you know, for maybe 90 minute or 120 minute session, that we actually bring in this cross functional team and you actually invent these risks, so what you'll find is some risks may not be risks, some people have different opinions, you actually might find that some people think they are new risks they weren't actually identified during this whole survey process so it was kind of the hybrid approach the survey to actually jump start the process and then the actual dialog with the team to come up with the rounded out list.

Bruce:
- Fantastic. So these are busy folks, they're running business units they've got lots of things on their mind. How do you sell them on the value proposition in participating in this process?

Phil:
- So and I think you are so right. So the reality is people are busy. And so they have more things that they got to get done with fewer resources in the past. So a couple things that seem to work is make sure there's the right ton at the top. So for us, for example, when we do a risk workshop we will start with a business unit president and ensure that he or

she is on board, ensure that he or she will be part of the process, and he or she will actually share the communications. So the reality is once you get the leader involved the others will follow, they understand it's important. Kind of the second thing to that show of values, integrate with existing things they have to do anyway. So if you think about it everyone has business planning so they do three year and strategic planning they do annual planning. One thing we do is make sure we integrate the whole ERM piece with the things they have to do naturally. People don't want an extra process, they don't want extra work they want things to help them understand how to better manage the business. And we've had instances where people use the risk identification process, the ERM process, to help justify a capital need. So it actual solved a risk but actually helped them run a business as well.

Bruce:
- Fantastic. One last thing I hope to talk to you about is just some of the education and training programs you've developed to help people understand the process and maybe get them prepared for when you're visiting with them about risk identification.

Phil:
- Sure, so I think the education training is really important. What we have found is that when we work with business units and locations globally they always tell us can you stop and just give me basic training. Time out. I don't want to get too intense too fast give me the basics. And so it's important that we actually do that. So there's a couple things you can do, we've actually had in person training which actually worked but the other thing that we've done that's worked well is we have E-learning modules. So the E-learning module is something we've developed and we've been able to run out globally and the reasons it's important is you can actually have a consistent message that goes out globally, people can retake the training if they want to, it helps you actually understand a common language so you can actually talk about risk globally the same way. So our module basically is two pieces, kind of a part A module, and a part A is really focused on ERM 101, what is it, why do people do it, what's the value proposition. And then part two is really focused on some of the key risk treatment processes such as business continuity, planning disaster recovery, and others that are important for an enterprise program.

Bruce:
- Phil, really appreciate you taking some time today to speak with us. Thank you.

Phil:

- Thank you.