

Introduction to Enterprise Risk Management

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1. Definition

- Enterprise Risk Management (ERM) is a structured, organization-wide approach to identifying, assessing, and managing risks that could affect the achievement of business objectives.

2. Difference from Traditional Risk Management

- Traditional risk management often handles risks in silos (e.g., insurance risk, credit risk separately); ERM takes a holistic, integrated view across the entire organization.

3. Types of Risk Covered

- Strategic, operational, financial, compliance/regulatory, and reputational risk.

4. Key Benefits

- Better-informed decision-making, improved resource allocation, enhanced regulatory compliance, and increased stakeholder confidence.

5. ERM as a Continuous Process

- Not a one-time project but an ongoing cycle of risk identification, assessment, response, and monitoring embedded into organizational culture.