

program registration

Strategic Risk Management:

The New Core Competency

CHICAGO, ILLINOIS

Date: February 11, 2011 **Location:** Illinois CPA Society Education Center, 550 W. Jackson, Suite 900, Chicago, IL **CPE Credits:** 8 hours **Time:** 8:00 AM Registration; 8:30 AM - 5:00 PM Program **Course Code:** C37232

FEE: \$525 for all CCFL State Society Members/\$595 for Non-members.

TOTAL AMOUNT ENCLOSED: \$ _____

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ILLINOIS CPA SOCIETY

The Illinois CPA Society's
Center for
Corporate Financial Leadership

Strategic Risk Management: The New Core Competency

location: **February 11, 2011**
Chicago, Illinois

featuring: **Mark L. Frigo, PhD, CPA, CMA**
Director, The Center for Strategy, Execution and Valuation, Kellstadt Graduate School of Business, DePaul University

8 CPE Credit Hours | www.CCFLinfo.org

Strategic Risk Management: The New Core Competency

As the risk profiles of companies have become more complex and more uncertain, management teams and boards need a practical and systematic way to assess and manage the risk in their plans and strategy of the company. One of the major challenges facing every management team is how to link the business strategy and performance measures with Enterprise Risk Management (ERM) and Governance Risk and Compliance (GRC). Another significant challenge is to develop a practical strategy for ERM and GRC that meets the specific needs of the organization based on its size and its environment.

Learn a process for assessing and evaluating strategic risk using leading practices from high performance companies and risk assessment tools. Specifically, learn how to address the following questions:

- ▶ Has your organization done a Strategic Risk Assessment to identify and prioritize its most significant risks?
- ▶ How can your organization improve its ERM and GRC?
- ▶ What events or scenarios could create significant downside risk for your business strategy and 2011 plans?
- ▶ Has your company considered the upside of risk and how it plans to realize the opportunities?
- ▶ What countermeasures have been developed to address these risk scenarios and events?
- ▶ How can risk management be incorporated in your 2011 plans and business strategy?
- ▶ What performance measures and key risk indicators can you monitor and continuously assess in order to manage strategic business risk?
- ▶ How can your organization develop Strategic Risk Management as a core competency?

Immediate Applicability

You will leave with the concepts and tools needed to conduct a Strategic Risk Assessment for your company.

How You Will Benefit:

- ▶ Learn a process to conduct a Strategic Risk Assessment using leading practices from high performance companies and risk assessment tools.
- ▶ Keys to success for effective ERM and Strategic Risk Management.
- ▶ Develop a Strategic Risk Management Action Plan and Strategic Risk Profile.
- ▶ Identify performance measures and key risk indicators (KRIs) for a Risk Scorecard.
- ▶ Identify the unique capabilities (genuine assets) at risk in your company and how to protect them.
- ▶ Identify risk areas in corporate sustainability that could impact your company.
- ▶ Develop a practical strategy for ERM and GRC that fits the needs of your company.

Strategic Risk Assessment Process which Will Enable your Management Team to:

- ▶ Conduct a Strategic Risk Assessment for your organization.
- ▶ Develop a Strategic Risk Profile and a Strategic Risk Action Plan.
- ▶ Identify "critical risk scenarios" and consider the potential severity and likelihood of the events and scenarios.
- ▶ Identify countermeasures for managing the critical risk scenarios and the costs/benefits of the countermeasures.
- ▶ Establish a process for continuous monitoring of the risk profile of the company, including the use of key risk indicators (KRIs) and leading practices of performance measurement and performance management such as the Balanced Scorecard.

Risk Assessment Using the Return Driven Strategy® Framework and Strategic Risk Management Framework

- ▶ Link strategic risk assessment to the potential impact on shareholder value.
- ▶ Conduct an inventory and risk assessment of genuine assets.
- ▶ Conduct a corporate sustainability risk assessment using Return Driven Strategy®.

COSO Thought Paper "Embracing Enterprise Risk Management: Practical Approaches for Getting Started"

- ▶ Learn the keys to success for strengthening ERM from the latest COSO Thought Papers authored by Dr. Mark L. Frigo and Richard J. Anderson.
- ▶ Review action plans for strengthening ERM.
- ▶ Discuss frequently asked questions to address when moving forward with ERM and Strategic Risk Management.

Identify Genuine Assets at Risk

- ▶ Discuss how genuine assets include the most valuable tangible and intangible resources and capabilities of an organization and must be protected because some of them may be at risk.
- ▶ Identify the unique capabilities (genuine assets) at risk in your company and how to protect them.

Identification of Performance Measures and Scorecards for Risk Management

- ▶ Identify key risk indicators.
- ▶ Develop Balanced Scorecards for better risk management.
- ▶ Develop a process that includes metrics for continuous monitoring of risk.
- ▶ Use strategy maps to understand the cause-and-effect relationships in critical risk scenarios and identify risk metrics that would be valuable in effective risk management.
- ▶ Incorporate risk management into the six-stage Kaplan-Norton Strategy Execution Process.

Mark L. Frigo, PhD, CPA, CMA



Mark L. Frigo, PhD, CPA, CMA is the Director of The Center for Strategy, Execution and Valuation and the Strategic Risk Management Lab in the Kellstadt Graduate School of Business and Ledger & Quill Foundation Distinguished Professor of Strategy and Leadership in the School of Accountancy at DePaul University. Dr. Frigo has extensive experience as a management consultant with KPMG and in the corporate sector where he was responsible for strategic planning. He has helped many organizations to design and execute strategy for maximum value creation. Dr. Frigo is a leading expert in strategy design and execution, including Balanced

Scorecard initiatives and has helped participants from CCFL seminars to lead successful strategic planning and Balanced Scorecard initiatives. Recognized as a dynamic speaker, Dr. Frigo was recipient of the Economos Award for Outstanding Teaching in the Kellstadt Graduate School of Business at DePaul and the Illinois CPA Society Outstanding Educator of the Year, and was recently profiled as one of the top business school professors in the Chicago area by *Crain's Chicago Business*. The author of six books and over 95 articles, his work is published in leading business journals including *Harvard Business Review*. He is an advisor to executive teams and boards of directors. Dr. Frigo is co-creator of the Return Driven Strategy® framework with Joel Litman and the co-author of *Driven: Business Strategy, Human Actions and the Creation of Wealth* (www.returndriven.com). He is also the co-author (with Richard J. Anderson) of *Strategic Risk Management: A Primer for Directors and Management Teams* and the latest COSO Thought Paper "Embracing Enterprise Risk Management: Practical Approaches for Getting Started". You can reach Mark at mfrigo@depaul.edu or 312.362.8784 or www.markfrigo.com.

Here is what business leaders had to say:

"Return Driven Strategy® and its Strategic Risk Management framework can be invaluable to business leaders in navigating an ever-changing and complex business environment and provide a systematic approach for assessing and managing strategic risk of an organization."

Ray Whittington, PhD, CPA, CMA
Dean, College of Commerce, DePaul University and Kellstadt Graduate School of Business

"The Return Driven Strategy® framework can be a useful approach for strategic risk management and ERM. This framework fully describes the business strategy and activities that drive great financial performance and makes the connection between strategy and shareholder value. It can provide a way for directors and management to evaluate strategic plans and strategic initiatives and identify key risks that could destroy shareholder value while considering the upside of risk in terms of the opportunities."

Mark Beasley, PhD, CPA
COSO Board Member, Director of the Enterprise Risk Management Initiative at North Carolina State University

"The Return Driven Strategy® framework has enabled the senior leadership of our company to establish, implement, and periodically realign, a first class, effective business strategy that produces real results. We know that we are working on the right things, for the right reasons. We also know that our periodic discussions are on point, and a good use of our valuable time. Our principles, business priorities and resources, are effectively aligned. From conceptual level to day-to-day execution, this thing really works."

John J. Mulherin
Chief Executive Officer, The Ziegler Companies, Inc.