



2013 Federal ERM Summit

How ERM enhances Leadership, Strategic Planning and Operational Planning

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Decision Making Process

OODA Loop

- **Observe:**
 - Gather information
 - Identify risks
- **Orient:**
 - Achievability/feasibility
 - Supportability/affordability
 - Profitability
 - Risk assessments
 - Consequence management plans
- **D**ecide:
 - Is this in the best interests of the organization?
 - Do the potential gains outweigh the risks?
- **A**ct:
 - Implementation
 - Execution

How ERM enhances leadership

- **Agility:** Seeing opportunity where others see just risk
- **Audacity:** Taking calculated risks to exploit changes in the environment/marketplace
- **Prudence:**
 - **Black Swans**
 - Consequence management (contingency plans)
 - Incident response training (tabletop exercises)
 - **Emerging risks**
- **Forward Thinking**
 - **Proactive vs. reactive**

How ERM Enhances Strategic Planning

Comprehensive, systematic and thorough

- **Strategic Objectives**
- **Mergers & Acquisitions**
- **Organizational changes**
 - Splitting company up
 - Moving significant elements of company to new location

How ERM Enhances Operational Resiliency

- **Definition:**
 - The ability to resume operations in the wake of a natural or manmade disaster
 - The ability to resume operations after an abrupt change in the marketplace that severely impacts a company's financial well-being.
- **Business Continuity (contingency plans)**
- **Incident Response (tabletop exercises)**
- **Succession Planning**