



PRACTICAL TACTICAL METHODS: Leveraging SWOT Analysis to Unlock Value in an ERM Implementation by Engaging Front-Line Staff

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Date: November 8, 2016
Time: 11:00 am

Objective

- Sharing an approach to engage front-line staff in risk management

Genesis of Approach

- A discussion with the Agency Director regarding the Office-wide risk assessment the Office of Benefits Administration completed as a result of an audit finding

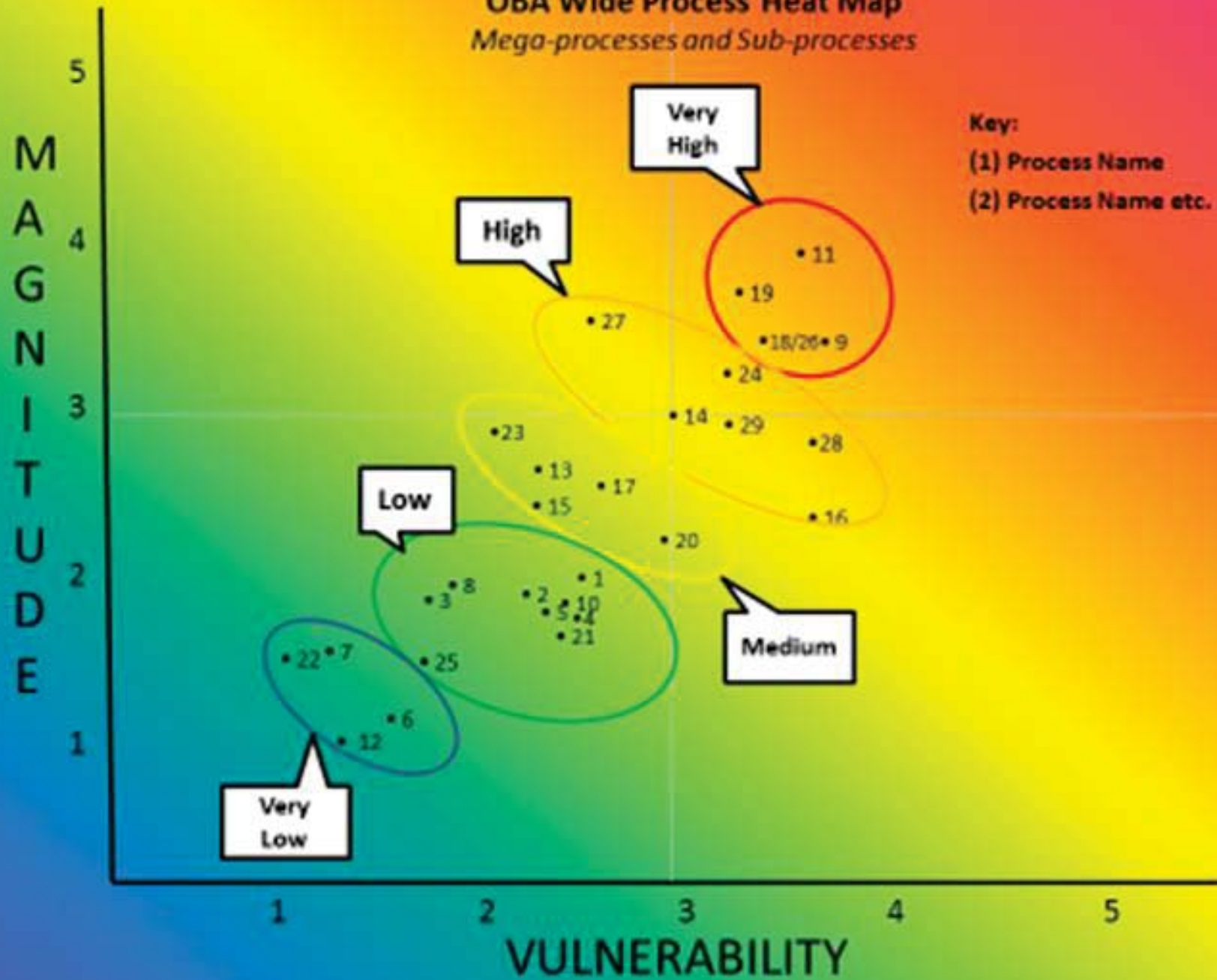
Office-wide Risk Assessment

- 300 person office
- 30 processes and over 100 sub-processes
- Assessed magnitude and vulnerability
- Created risk profiles
- Created a heat map
- Targeting highest risks

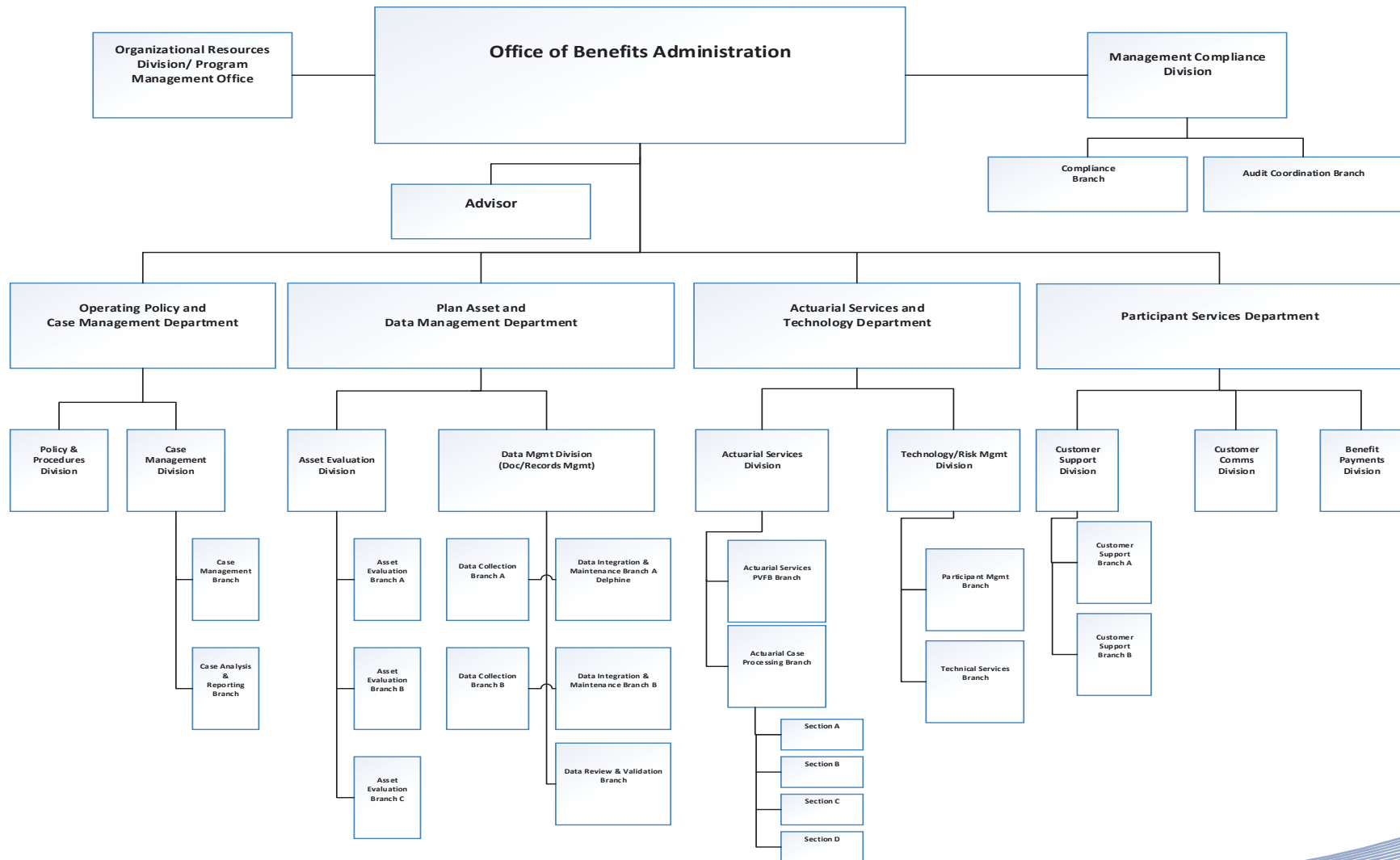
OBA Wide Process Heat Map

Mega-processes and Sub-processes

Key:
(1) Process Name
(2) Process Name etc.



OBA Organization Chart



Who is Missing?

Front-line staff

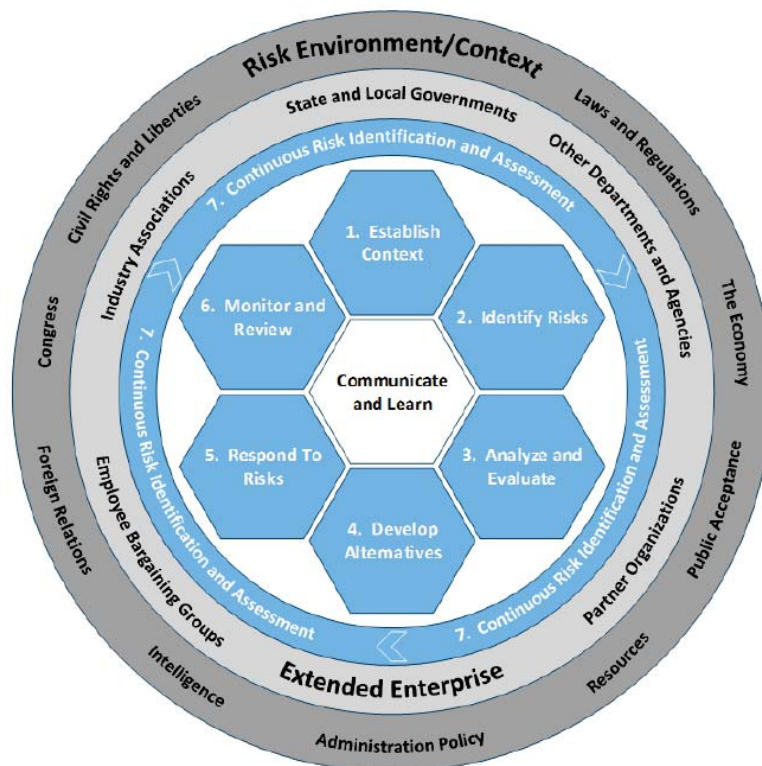
Great Opportunity

- To hear from largest population in workforce
- To confirm risks management and Subject Matter Experts (SMEs) identified
- To learn about risks that management and SMEs may not be aware of
- To engage front-line staff in risk management dialogue and processes

The Way: Start with the Familiar

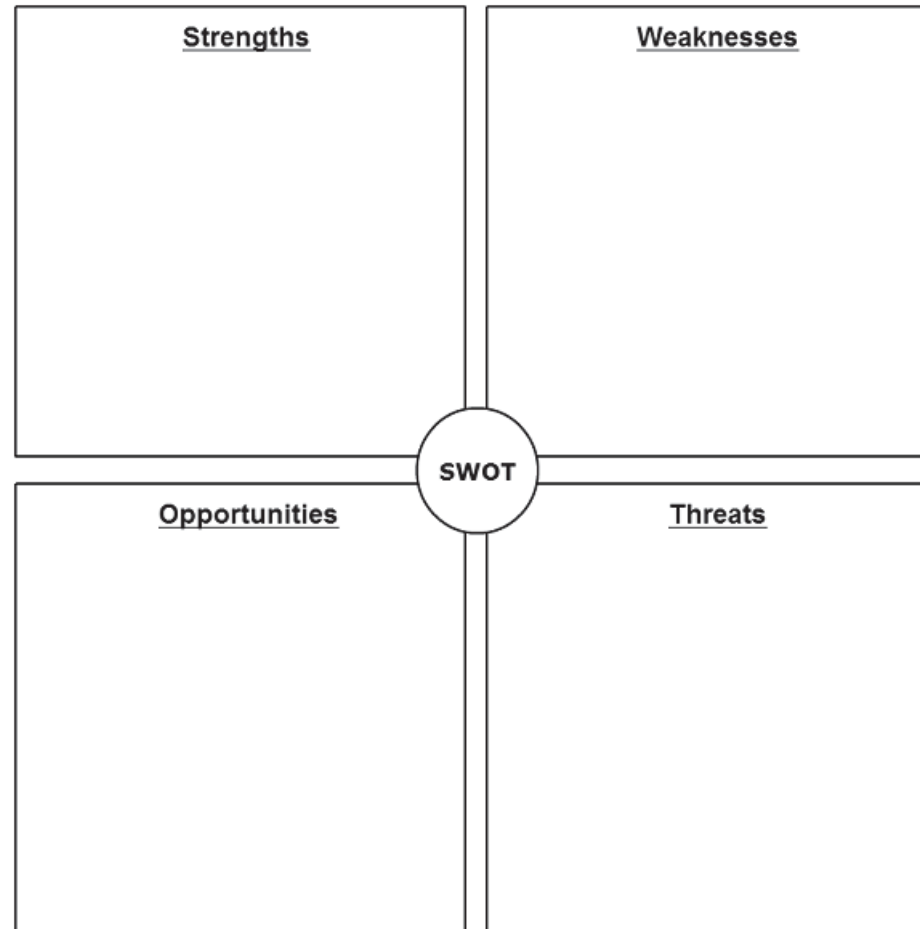


The Way: Link Enterprise Risk Management (ERM) with Strategic Planning



- Invite the front-line staff to, at minimum, contribute to number 1 and 2 in the ERM Model
 - No. 1 – Establish context
 - No. 2 – Identify risks
- Via SWOT analysis typically used for strategic planning

SWOT Analysis



SWOT Analysis

- Also called an Internal/External (I/E) Analysis – results in an I/E matrix with 4 quadrants
- Strengths and Weaknesses are often internal to our organization
- Opportunities and Threats are often external to our organization

SWOT Analysis

	Helpful (for our objectives)	Harmful (for our objectives)
Internal (within the organization)	<p>Strengths</p> <ul style="list-style-type: none"> • What do we do well? • What unique resources can we draw on? • What do others see as our strengths? 	<p>Weaknesses</p> <ul style="list-style-type: none"> • What could we improve? • Where do we have resource concerns? (think people, contract dollars, technology) • What are others likely to see as weaknesses? • What should we avoid?
External (outside the organization)	<p>Opportunities</p> <ul style="list-style-type: none"> • What opportunities are open to us? • What trends could we take advantage of? • How can we turn our strengths into opportunities? • Or, can we open up opportunities by eliminating weaknesses? 	<p>Threats</p> <ul style="list-style-type: none"> • What threats can harm us? • What are our small Agency counterparts doing? Industry? • What obstacles do we face? • What threats do our weaknesses expose us to?

It's Easy & Accessible

- Conduct with Management Team first – can serve as a train-the-trainer
- Introduce concept at a staff meeting
- Schedule 1-2 hours and send our materials
- Agenda
 - Provide Risk Management context
 - Provide instruction
 - Provide template
 - Conduct as a unit
 - Prioritize items in each quadrant

SWOT Results

- Inform strategic planning
- Inform risk assessment

Executives and Management

- Develop annual strategies and goals
- Approves resourcing or plans and projects
- Own business processes and identified risks
- Reassessing and reporting quarterly
 - Any significant changes to risk
 - Progress with risk mitigation
- FMFIA attestation for areas of responsibility

Entire Organization Engaged in Risk Management (RM)

- Front-line staff – given opportunity to contribute to risk management and strategic planning processes
- Management – provided more data regarding risks and opportunities
- Executives – accountable for fostering engagement and follow-on actions

Ultimately

- Insights and knowledge from all functions and levels of organization leads to:
 - Better planning
 - Better decisions
 - Better resource allocation
 - Better stewardship
- Leading to unlocking value by adding a simple tool – SWOT analysis – to Enterprise Risk Management Approach

Discussion