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Strategic Risk Management for successful space & defence programmes (6)

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BARRIERS IN MATURING ENTERPRISE RISK MANAGEMENT (ERM) PROCESSES

Abstract

Survey data confirms that managers from a large percentage of organizations employing enterprise risk management (ERM) believe their processes to be immature and less than robust (1). Upon closer examination, several sets of common barriers exist to maturing ERM processes across organizations to include the broad categories of: top management support, culture and organization, less than adequate process integration, and resources. In this paper we will examine these barriers as well as mitigation strategies. In order to measure ERM maturity, we will also examine how some organizations objectively measure the maturity of their ERM processes. This will include: benchmarking, audits, surveys, comparison to frameworks such as the Capability Maturity Model Integration, the DuPont Bradley Curve, Dow Jones Sustainability Indices, as well as some unique “do it yourself (DIY)” approaches. In order to move the ERM discipline forward towards a process, which can be monitored through semi-quantitative statistical process control (SPC), the use of specific Key Risk Indicators (KRIs) will be assessed as potential contributors to maturing the ERM process.

(1) 2017 The State of Risk Oversight: An Overview of Enterprise Risk Management Practices (8th Edition), NC State University, Poole School of Business.