

Deepening the Risk Management Journey

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COBA and AM Institute Convention
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Beginning the Journey



Tennis Shed, Hornsby 1966 - 1969
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The ancient history of risk management

- 1995 – A watershed year
- Consumer credit code, the Credit Union Code of Practice
- AS/NZ 4360 – Risk Management!
- '2005' – talking about risk management frameworks
- 2009 - AS/NZS ISO 31000:2009

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The importance of good risk management

- Risk management is simply good management.
- CPS 220 now embodies this. Enhanced expectations.
- In technical terms, it's always been a no brainer.
- Remember Lehmann Brothers! And NAB.
- Risk management = thinking, analysing, data, vigilance.

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Risk and Strategy

- Risk depends on context.
- Strategy responds to and sets context for risk.
- What are the risks created in your strategy?
- Typical stuff: Bad loans. Excessive growth. Wrong people. Poor investments. Wonky pricing. Bad decisions.

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Business risks vary with strategy

- Credit risk
- Funding / liquidity risk
- Market risk
- Financial risk
- Operational risk
- Reputation risk / brand
- Capital adequacy etc.

Question: do we manage risk or write prudential reports?

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What is your strategy?

- Do you have strategy or a business plan?
- How does your strategy vary depending on e.g. your size, your market (community / industrial / location), your capacity?
- What do we mean by strategy?

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What are the real risks?!?

In my humble opinion ...

- Relevance
- Your people
- Technology
- Energy

What are the implications for risk management, especially in a time of 'disruption'?

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Risk and Strategic Planning

- What is your process?
- Is it strategic planning or business planning?
- How much thinking do you do?
- How much research do you do?
- How many real decisions do you make?

Tough question: What risks are created by your process?

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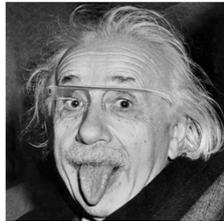
Risk Management Now

- Risk management is good management
- Strategy drives risk – ‘the impact of your big decisions’
- Your real risks may not be what you think they are
- Strategic planning processes can be a risk

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You choose



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Thank you

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