Using risk management standards to strengthen cooperation between business and authorities

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Ferma, the Federation of European Risk Managers Associations represents:

- approximately 5000 risk management professionals
- in 19 national risk management associations
- in 17 countries in Europe and Russia
Key Areas

- The role of risk management professionals and standards in shaping society to be:
  - less risk averse and
  - more responsible in managing risk

- Co-operation between the business and the authorities in respect of risk management standards
The Issues

- Society is becoming increasingly risk averse and less inclined to take responsibility in managing risk.
- Risk Management Standards are available (ISO, BS, Ferma, etc) but guidelines on implementation are not necessarily available.
- Regulation is increasing but does not necessarily change behaviour.
- Expected behaviours related to risk in the workplace and private lives are not necessarily aligned.
The Solution

Regulation, standards and governance framework

Create risk management guidelines to support implementation of Standards & Regulation

Culture and behaviour

Educate & train society to manage & take risk

Improved understanding and management of risk

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The Route

- Increase co-operation between the authorities and risk management professionals and Ferma to:
  - Develop guidelines and education related to the implementation of current risk management standards including the “soon to be published” ISO standard
  - Advance knowledge, application and understanding on risk management
  - Educate the Public to understand and take risk not eliminate risk (Interpret and use risk management standards for everyday use as well as for business use)
  - Educate the Media to communicate risks in an understandable way
  - Help government and regulators to educate as well as legislate
Conclusion

The authorities and risk management professionals can work together to:

- Exploit the knowledge and experience of business risk managers
- Assist society to become less risk averse through increased education
- Combine legislation with education

The Solution

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- Educate & train society to manage & take risk
- Culture and behaviour

Improved understanding and management of risk