

Next level proactive Strategic Risk Management

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Hans Læssøe
AKTUS Consulting
hl@aktus.dk
+45 2030 8699

About Hans Læssøe and AKTUS

- M.Sc. Electrical Power Engineering
- 35 year LEGO Group career ...
 - IT 3 years
 - Supply Chain 13
 - New Business Area 2
 - Product Development 4
 - Finance 3
 - Strategic Risk Management 10i.e. Broad and in-depth business insights
- Started own consultancy AKTUS in 2017
Name is a merge of the Danish words “Aktiv Usikkerhed”
i.e. “Active Uncertainty”
- Company approach
*Uncertainties are a fact of life, and will probably only get “worse”
... you may as well learn to leverage them to your advantage*



Agenda

- Elements of risk management
- The evolution of risk management
- Delivering on the demand from the top
- Future perspectives for the risk management profession

The concept of risk management is extremely simple

Three simple questions ...



What can happen



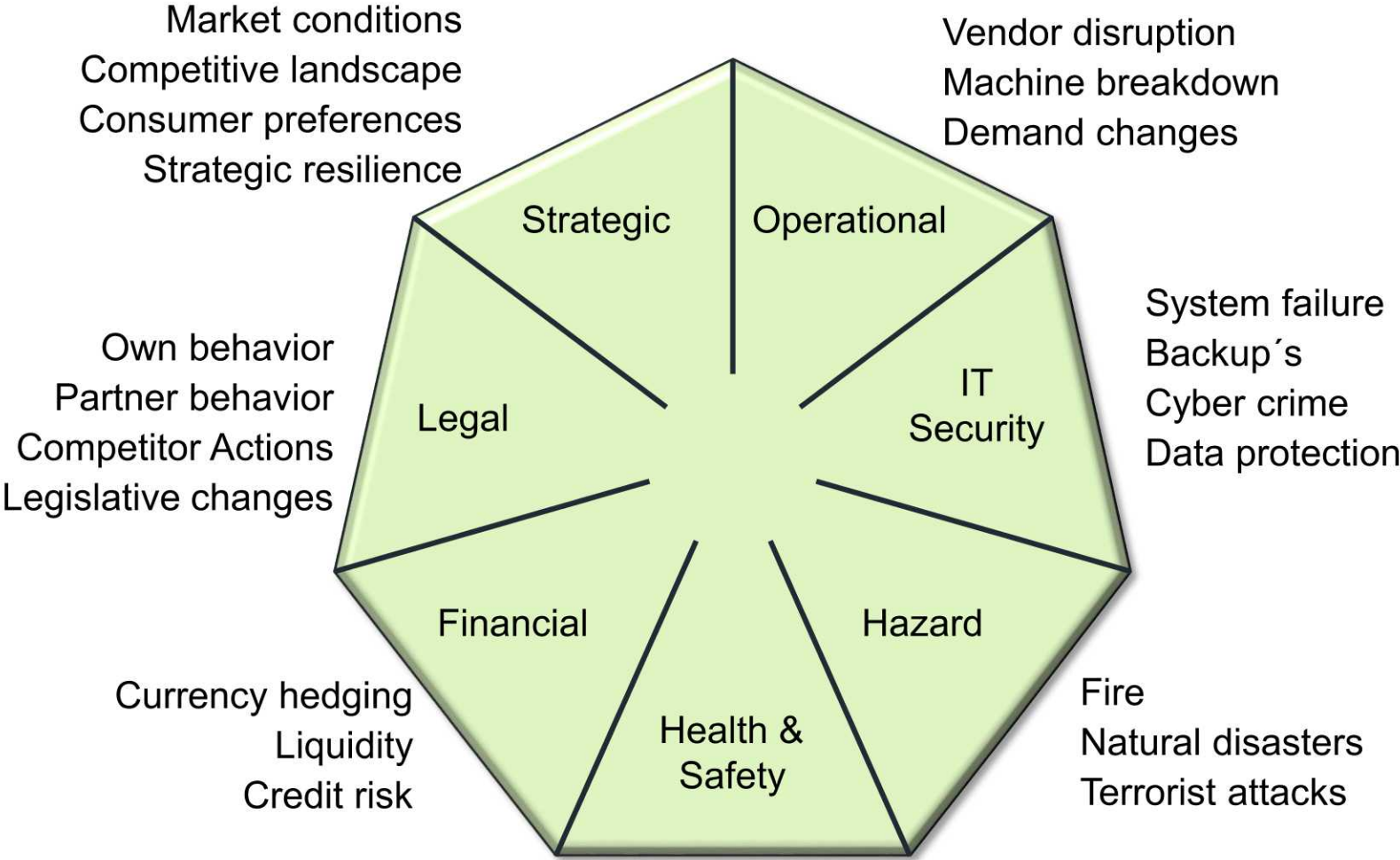
How serious is it



What do you do about it

... which are potentially rather difficult to answer

Risk Management cover a lot of different elements

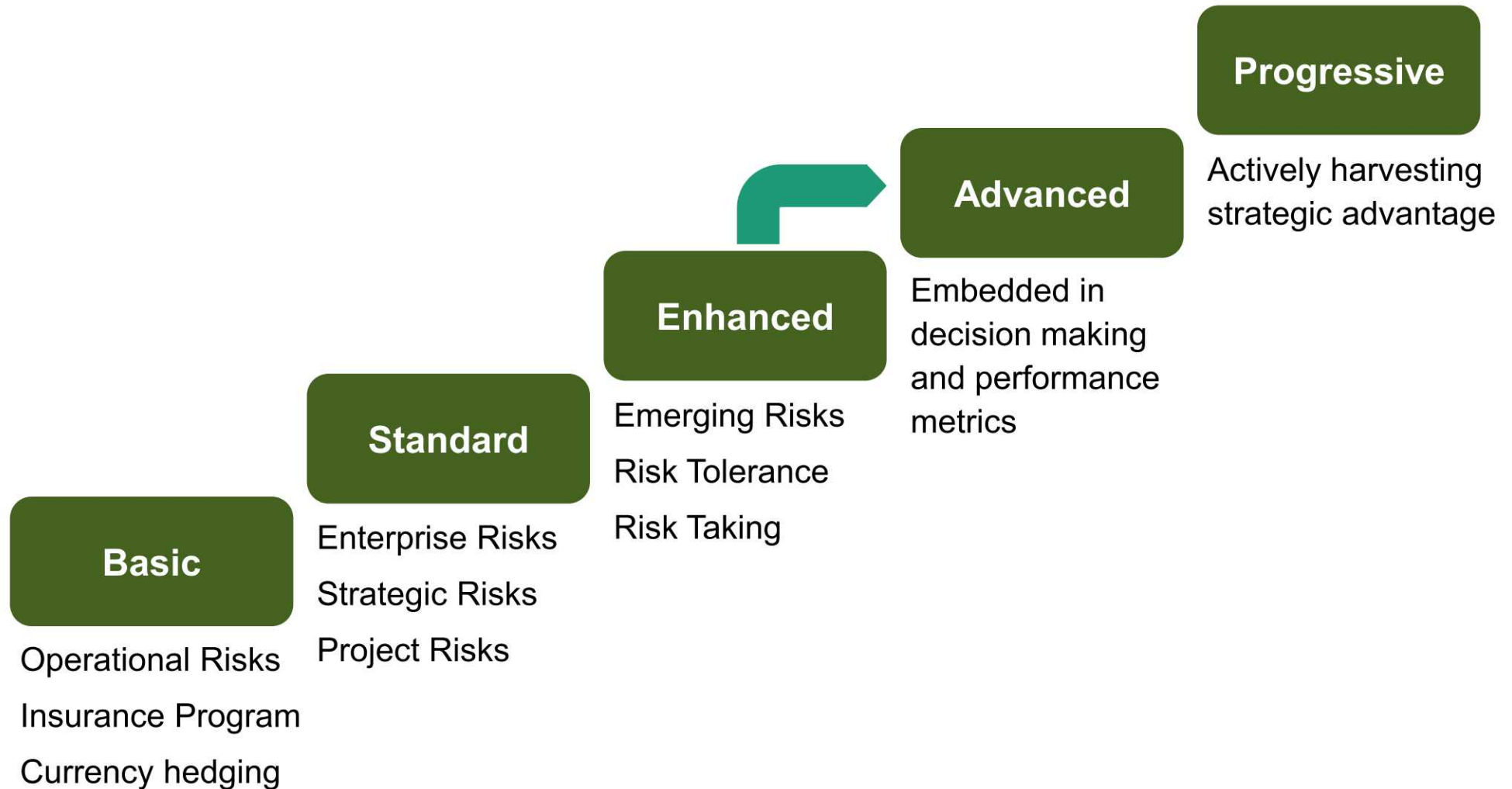


Enterprise Risk Management is often only reporting

- Collect insights using specialists – as well as any other “hint”
- Ownership rests with Management
- Multiple scales based on different risk tolerances
 - Money
 - Reputation
 - Environmental Impact
 - Product Safety
 - Employee safety
- Verify quality of mitigations
 - Ownership
 - Actions
 - Effectiveness
- Using Monte Carlo simulations to calculate e.g. 3% worst case exposure
- Report systematically – depending on industry cadence



The discipline of Risk Management has evolved over the years



What does Management want from us?

- **Ensure we “cover their back” on already made decisions**
 - Protecting assets, brand and people
 - Insurance
 - Quality Assuranceetc.
- **Provide input on risks on current decisions**
 - Risk considerations
 - What can be safeguarded
 - What if ...
- **Advice as to future directions**
 - Making strong strategies
 - Trend analyses



In total ... **They want us to be their decision quality control**

To deliver on this, we need to evolve as well

- **Strong business and strategic acumen ... and understand ...**
 - The company and the industry as well as they do
 - The strategy process as well as they do
 - Company politics as well as they do

To deliver on this, we need to evolve as well

- Strong business and strategic acumen
- **Strong insights into trends and developments, we need ...**
 - To systematically look for trends relevant to the industry/company
 - To collaborate closely with experts to gain this insight
 - An approach to prioritize

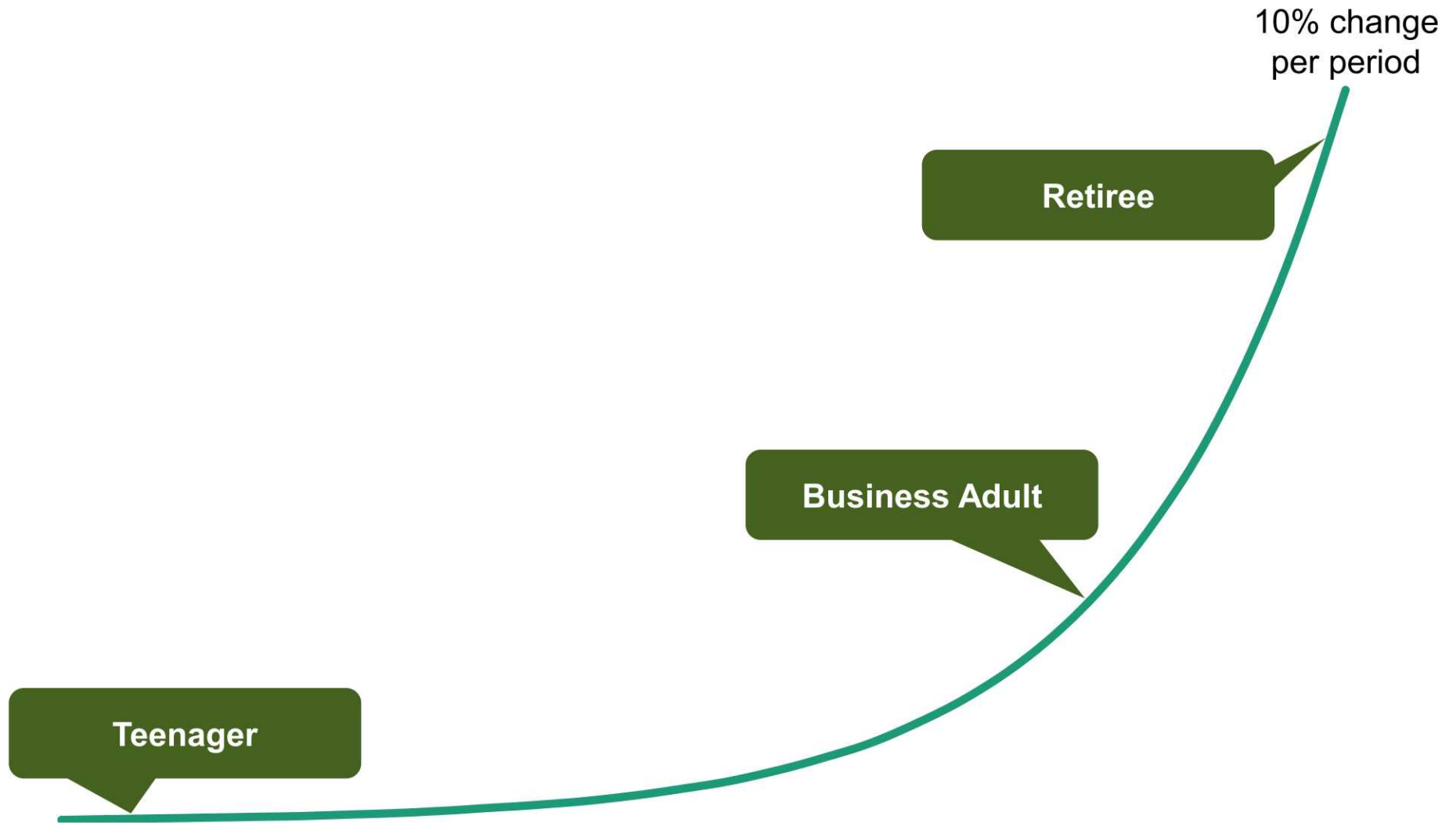
To deliver on this, we need to evolve as well

- Strong business and strategic acumen
- Strong insights into trends and developments
- **Systematic approaches to “spot” emerging disruptions**
 - Ford’s disruption of the concept of industry
 - IKEA’s disruption of the furniture industry
 - iTunes disruption of the music industry
 - Ubers disruption of the taxi industry

To deliver on this, we need to evolve as well

- Strong business and strategic acumen
- Strong insights into trends and developments
- Systematic approaches to “spot” emerging disruptions
- **Trust on behalf of Management**
 - Demonstrate the value of insights
 - Apply intuitive and logical processes
 - Let them keep their thunder

The speed of change ... is not changing that fast



I Predict ...

Future Risk Management will be like a smartphone

- **For the Business Manager**

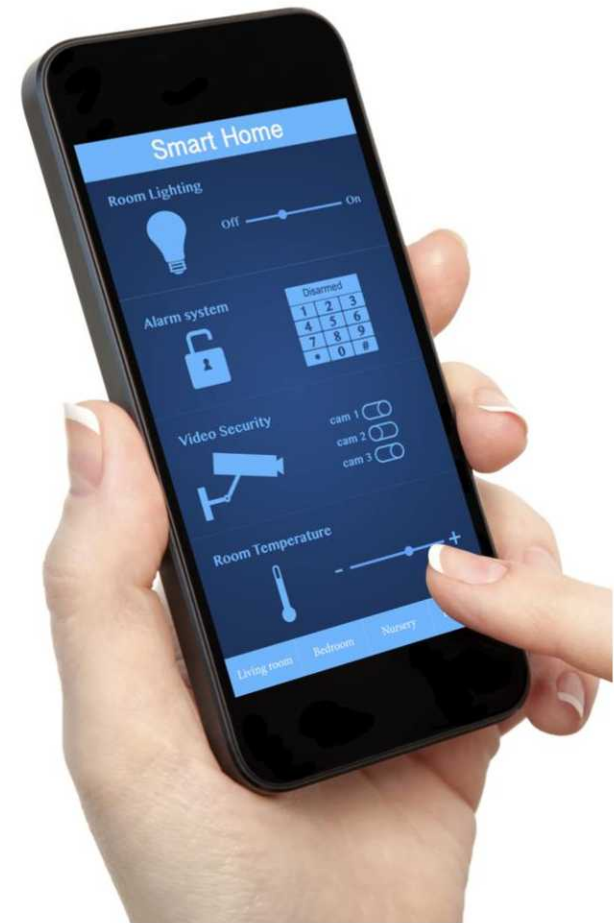
- Intuitive
- “Nice”
- Simple to use
- Fast responding
- Reliable

i.e. as a smartphone seen from the user

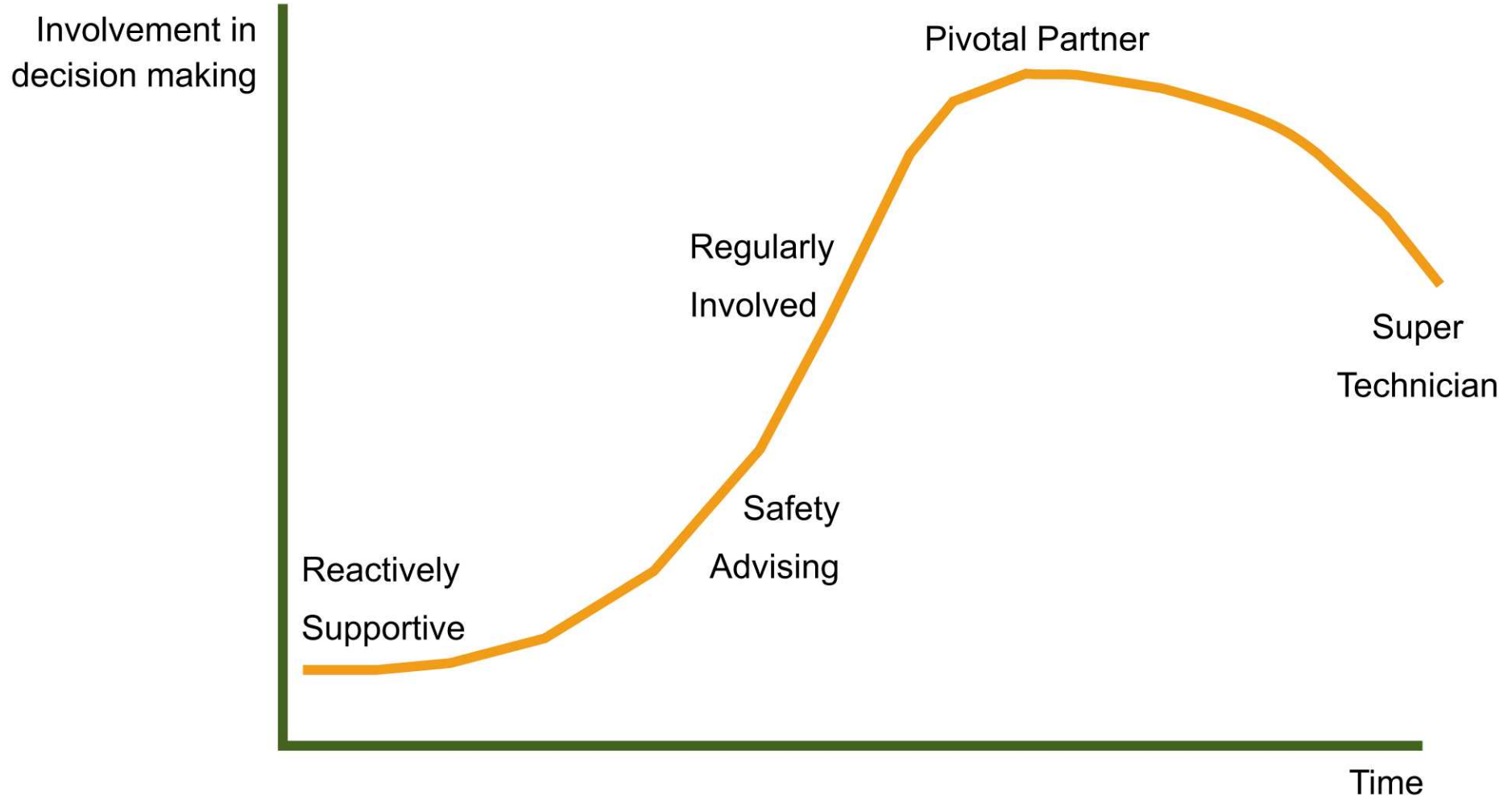
- **For the Risk Manager**

- Highly Advanced
- Big Data
- Advanced Statistics
- Predictive Analytics

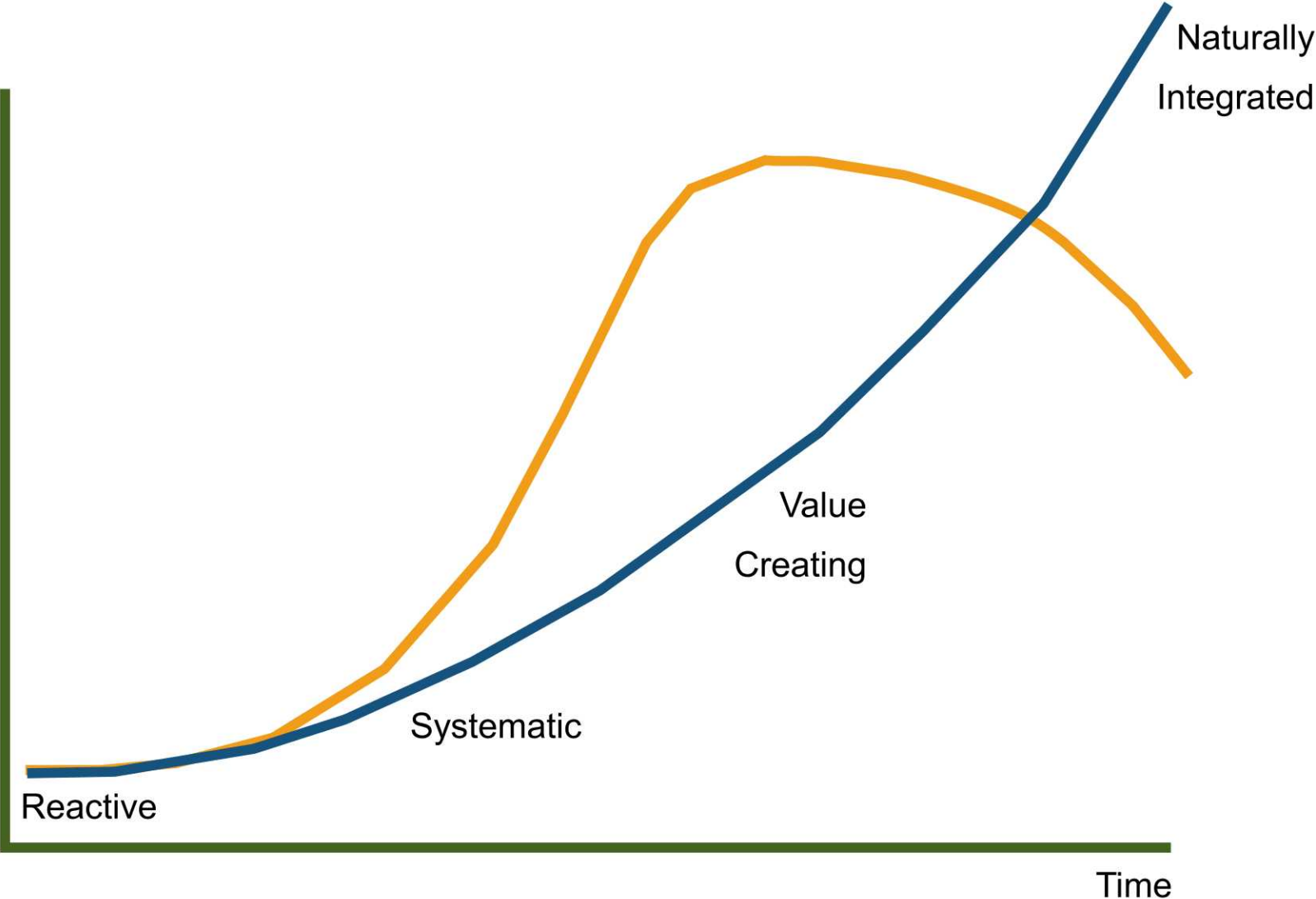
i.e. as a smartphone seen by the developer



The role of the Risk Manager is and will be changing



... as the Approach to Management of Risk Changes



Thank You

**Proactive risk management is
not about being safe while the
boat is rocking ...**

... going forward ...

**... it is about being able and
willing to rock the boat**

