



What you need to know about Business Risk Management (BRM)

1. People support what they help create

All employees should have a basic understanding of the principles of establishing business risk management practices, its importance to the company and to their continued and uninterrupted employment. Employees should also be actively engaged in the risk reduction and disaster planning process where they work. After all they don't want to lose their pay and bonus.

2. Business Risk Management is not the same as Disaster Recovery

BRM aims to proactively manage the risks of, and to, all business processes, assets, facilities, supply chains and human resources to ensure that the business will function at its highest capacity. This is different from disaster recovery-based planning which concentrates on ensuring that contingency plans and procedures are in place to return to "business as usual" as soon as possible after a crisis.

3. Business Risk Management is not just about the plans

BRM should address those issues that place the company at any significant risk. Since these are the issues that the management team deals with every day and are linked to the strategic goals of the company the management know why it is important. In turn, we have to identify the support functions necessary to deliver those goals and base our BRM around them.

4. Business Risk Management can help differentiate companies

Having a BRM programme in place means we could if asked to, show customers how if we had to, be able to recover our operations within just a few hours/days depending on the situation. When we can demonstrate this ability and are confident about what's in place it is then easy for us to ask them to consider if our competitors have the same capability. In effect it's a tool to sell sustainability and continued supply.

5. Having a Business Risk Management in place can save money. Why?

The planning that goes into a BRM programme, especially the business impact analysis, can often be a way of taking stock of our operational processes. This generates a better understanding and could lead to the improvement and streamlining of processes and potentially even generate cost reductions by eliminating waste or duplication.

6. Business Risk Management is a great way of enhancing our reputation should we encounter an adverse event. Why?

The effective handling of any incident – particularly a large-scale one – can have a positive effect on our capability as strange as it may seem. Successfully navigating a potentially devastating incident can significantly increase customer confidence and develop our perceived image even further.

7. Insurance may not cover all losses

There are some things that interruption insurance will most likely not cover. Consider the loss of business opportunities, loss of reputation, the cost of losing current customers, the erosion of our name and with it new products. It will only provide some limited financial protection and no more, so insurance is very limited.

8. Lower insurance premiums

Insurance companies now more than ever before realise that Business Risk Management helps with risk reduction, and it is becoming increasingly common for a condition of insurance cover to show the existence of a business continuity plan. I have been asked to show this. Even if an insurer does not insist on such a condition, we should be in a position where premiums can be reduced because we have a BRM in place.

9. It's a very security conscious thing to do!

The scandals that have rocked the business world in recent times have highlighted the importance of maintaining the integrity of data, Glenair is not an island we are a global company. It is always difficult to legislate for crimes committed from the inside, and detecting fraudulent behaviour, often by employees is even more troublesome. However, Business Risk Management can provide some protection against this threat.

Whilst this isn't a foolproof defence an effective business risk plan that is regularly reviewed and tested will help reduce risk and establish a system that helps prevent, and in the hour of need, recover.