



5 ways you can
raise awareness
about risk

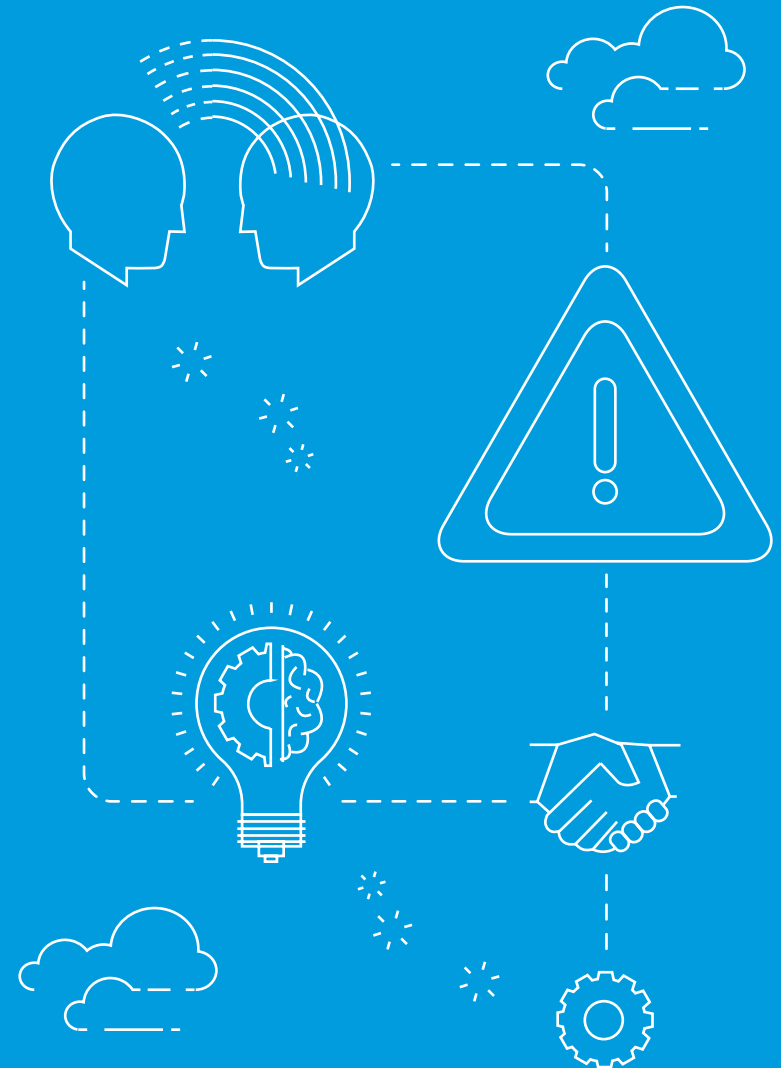
A CONVERSATION GUIDE FOR RISK LEADERS: HOW TO ELEVATE THE PERCEIVED VALUE OF ENTERPRISE RISK MANAGEMENT

➤ Communication matters

Risk leaders have a lot on their plates. With more employees working remotely and more regulatory issues to manage, they can't address everything on their own. They need cooperation from the entire organization, including line of business leaders and managers, to provide the resources necessary for a strong enterprise risk management strategy. They also need to ensure employees are compliant and risk aware to fully protect their organizations.

Today's increasingly complex work environment can make raising awareness about managing risk and maintaining regulatory compliance challenging.

This conversation guide offers five key ways leaders can communicate the importance of monitoring and following risk standards and procedures.



➤ 1. Discuss how enterprise risk management benefits the organization

Not having a strong, comprehensive risk program can be costly both in the near term and long term. Non-compliance, cyberattacks, mismanaged acquisitions and other negative events can result in consequences that prevent your business from meeting its strategic goals.

A typical company loses
5%
of annual revenue to fraud.¹



Fines



Operations downtime



Legal fees



Unmet revenue or profit expectations



Lost or reduced funding



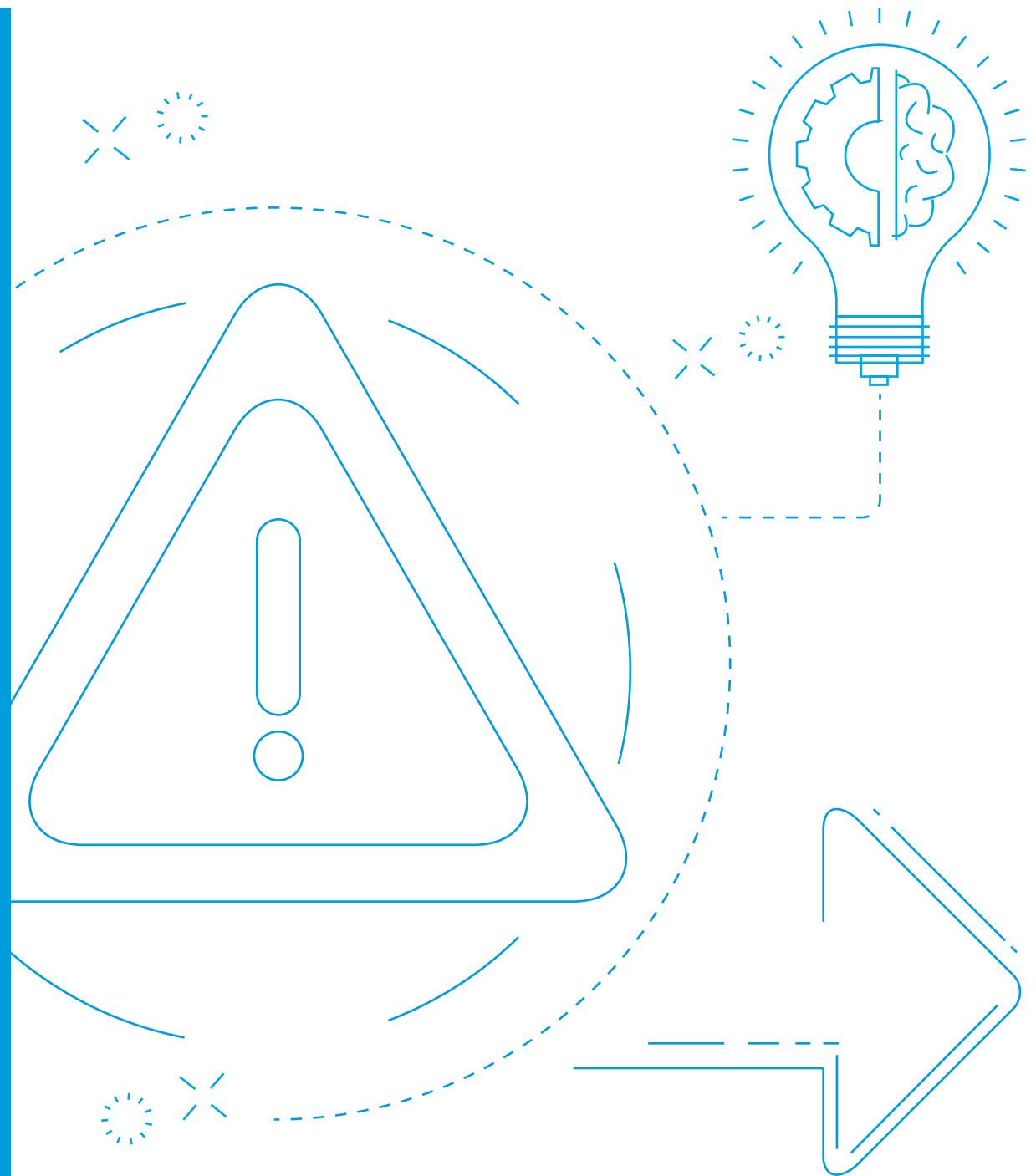
Damaged brand reputation



¹ RSM, Fraud Awareness Resource Center

Effective enterprise risk management also helps the organization be more agile in response to a changing market or to achieve strategic goals. For example, innovation can open new sources of revenue, but innovation requires taking risks. When a company has a strong risk foundation, it can effectively monitor the environment and set up alerts for risk controls—and adjust those controls based on monitored data.

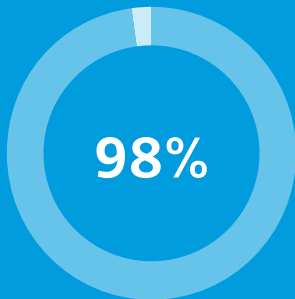
Taken further, advanced enterprise risk management can help a company be more predictive about risk factors. This provides confidence to be more future-focused when prioritizing strategic actions.



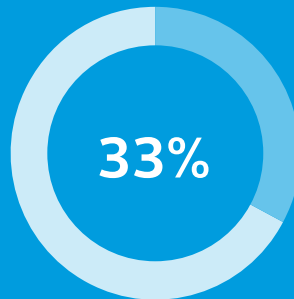
➤ 2. Educate staff about rising cybersecurity risks

Cybersecurity is a growing risk, and one that companies often aren't prepared to effectively manage on their own. As organizations increase their digital transformation, become more reliant on cloud services and third parties, and have more employees working remotely, they open themselves to more opportunities for data breaches, including ransomware, social engineering and other malicious attacks.

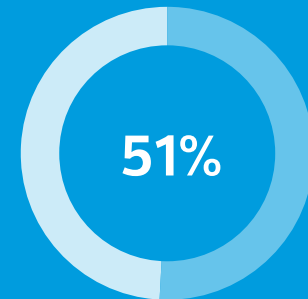
Increasingly connected enterprises need to evaluate the security of their IT systems and communicate the necessary steps and procedures everyone must follow to address any vulnerabilities. These actions are particularly critical for middle market companies, which are increasingly at risk for cyberattacks.



of cyber insurance claims come from small and midmarket companies



of midmarket companies reported a ransomware attack in 2020

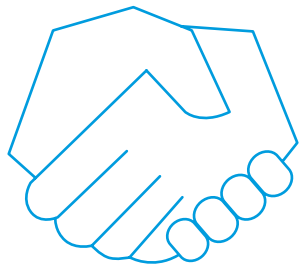


reported a social engineering attack²

²Source: [RSM Middle Market Business Index Cybersecurity Report](#)

> 3. Encourage leaders to take a future-focused perspective

Strong enterprise risk management today sets up the organization for a better future, especially if a merger, acquisition, carve-out or an initial public offering is planned. Companies with an established risk management strategy and culture are more attractive to potential investors because they have established compliance and governance processes in place. They also reduce the likelihood of costly disruptions and fines that could delay the rollout of new products or services, hiring initiatives or other strategic plans.

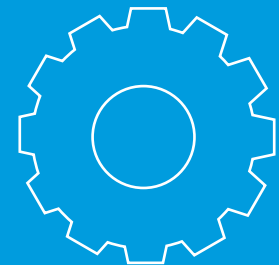
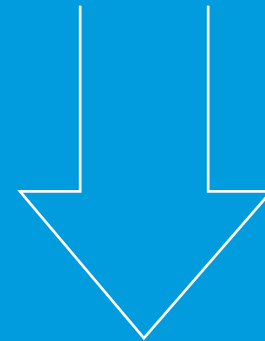


94%
Increase in global
M&A activity Q1
2020 vs. Q1 2021³

³Fortune, "M&A activity has spiked 94%—and this investment bank CEO sees 'a big back half' of 2021," April 2, 2021.

Sarbanes-Oxley compliance services

RSM offers a sustainable, top-down, risk-based Sarbanes-Oxley compliance program that can be leveraged to reduce costs and improve efficiency. [Learn more.](#)



➤ 4. Emphasize the benefits of third-party support



Auditor Assistant

RSM Auditor Assistant internal audit software can help increase productivity, efficiency and standardization throughout the audit process. [Learn more.](#)

Managed services and co-sourced solutions can bring efficiency and cost savings to risk processes using software-driven automation and other advanced technology. Organizations also benefit from being able to leverage advanced technologies that managed services can provide, as well as specialized skill sets and software licenses the providers already have.

In addition to helping clients achieve efficiencies and cost savings, third-party risk advisors continuously monitor new threats and offer support as they emerge. This includes helping to establish a holistic approach to risk management, analysis and governance with solutions tailored to each organization's specific needs.

This can lower the cost of compliance for:

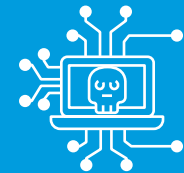
Regulatory requirements



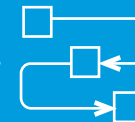
Sarbanes-Oxley



Cybersecurity



Processes and systems



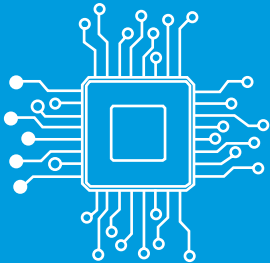
Industry-specific regulations



> 5. Support your concerns, needs and strategy with data

Benchmarking reports and technology risk assessments can be valuable tools to demonstrate a need for change. They help organizations understand how they stack up with their peers and highlight high-priority areas for change. Such assessments can be comprehensive or specific and can cover areas including:

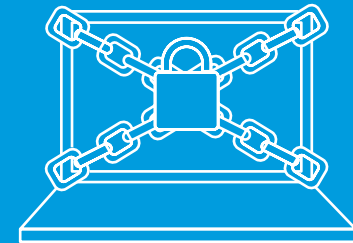
IT systems



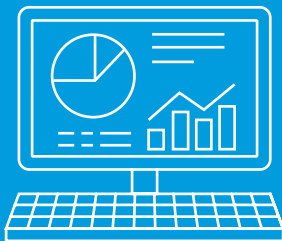
Physical security



Cybersecurity



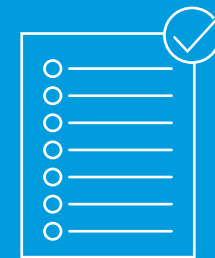
Data governance and privacy



Internal audit



Compliance management



Risk management strategy: A comprehensive approach

Risk management is an ongoing battle for many organizations. In recent years, new cyberthreats, a global pandemic and various supply chain disruptions have led risk leaders to rethink their approach to addressing potential threats.

Third-party consultants provide industry-specific knowledge to help organizations develop risk solutions that align with their strategic goals and empower them to move forward with confidence. RSM risk advisors take a client-centric approach to risk management that provides organizations with the tools they need to minimize risk exposure, so they can focus on achieving their strategic goals.

To successfully address risk, organizations need a team that provides a holistic approach to risk management.

[LEARN MORE ABOUT RISK MANAGEMENT SOLUTIONS FROM RSM](#)



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