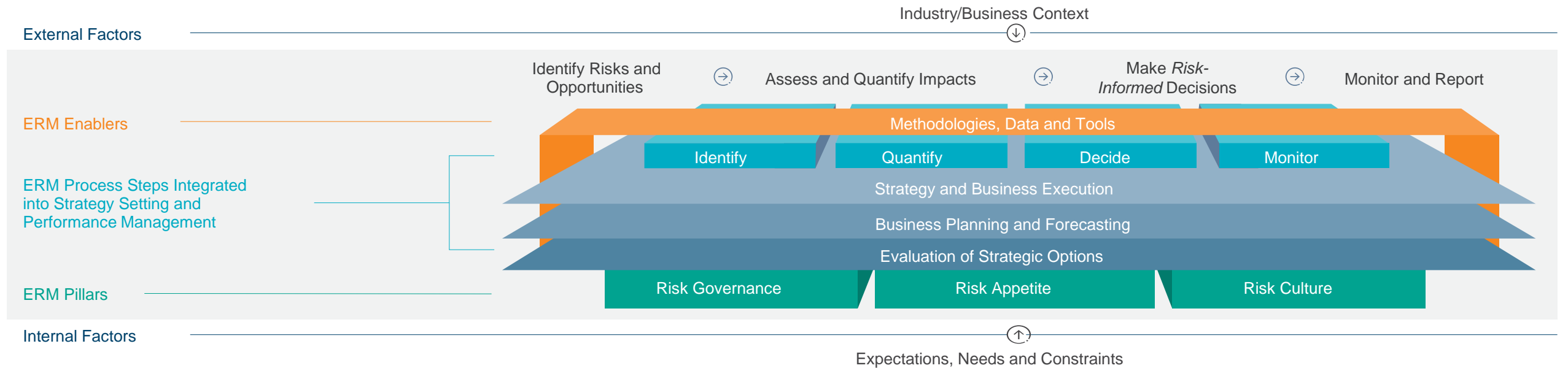


PROTIVITI ENTERPRISE RISK MANAGEMENT SOLUTION

The Protiviti ERM framework is based on a *Risk-Informed perspective*.

A major goal of ERM is to provide management and the board with information on risks and opportunities that may influence key decision-making. This can be accomplished by an ERM journey guided by a trusted advisor to facilitate their success.



External Factors

may include known and emerging market trends, industry regulations, listing regulations, external stakeholder expectations, as well as, unexpected events.

- External factors shape an organization's journey. They may serve as either shortcuts or roadblocks in the path to creating an effective ERM program. The ERM methodology helps navigate these factors, whether they serve as facilitators or challenges on the path to ERM.

ERM Enablers

provide indicators to allow for decision-making that is supported by measurable information and data.

- Measurable metrics enable effective debate about risks and opportunities and improve resource allocation based on risk-return analysis.

Integrating ERM Process Steps Into Strategy Setting And Performance Management

allows management and the board to utilize relevant risk information during decision-making.

- ERM integration into day-to-day strategy and business execution allows the organization to select what risks are relevant for the viability of business objectives defined by the entity. By integrating quantification and monitoring of critical risks into operating activities, ERM can become more effective.
- Integrating ERM into business planning and forecasting allows clients to understand acceptable variation of target results, agree on the strength and reliability of the plans and adjust and monitor them to suit the entity's risk appetite.
- Finally, ERM integration into evaluation of strategic options allows the organization to select business initiatives, such as investments, new products, new markets, new partnerships, etc., that, based on the expected risk-return profile, better fit the entity's risk appetite.

ERM Pillars

are Risk Governance, Risk Appetite and Risk Culture, and serve as the foundation of the ERM system and will influence ERM program design, execution and implementation.

- The pillars will help define how ERM is used in decision-making.

Internal Factors

will vary by organization but can include the expectations from the top of the organization, governance structure, business model complexity, availability/quality of resources and data.

- Internal factors will influence ERM program design and implementation and be impacted by the risk culture of the organization.

PROTIVITI ENTERPRISE RISK MANAGEMENT SOLUTION

Why do companies care?

Companies want more from Enterprise Risk Management (ERM).

Several factors are contributing to this trend, such as increased speed of change, growing markets' volatility and complexity, higher expectations from investors, greater pressure from regulators, etc. In this context, the need to navigate uncertainties, the increased scrutiny from the board and the new COSO ERM Framework have clients asking if they have the right focus on ERM: Are they looking to comply and conform, or are they looking to become a more *Risk-Informed* organization?

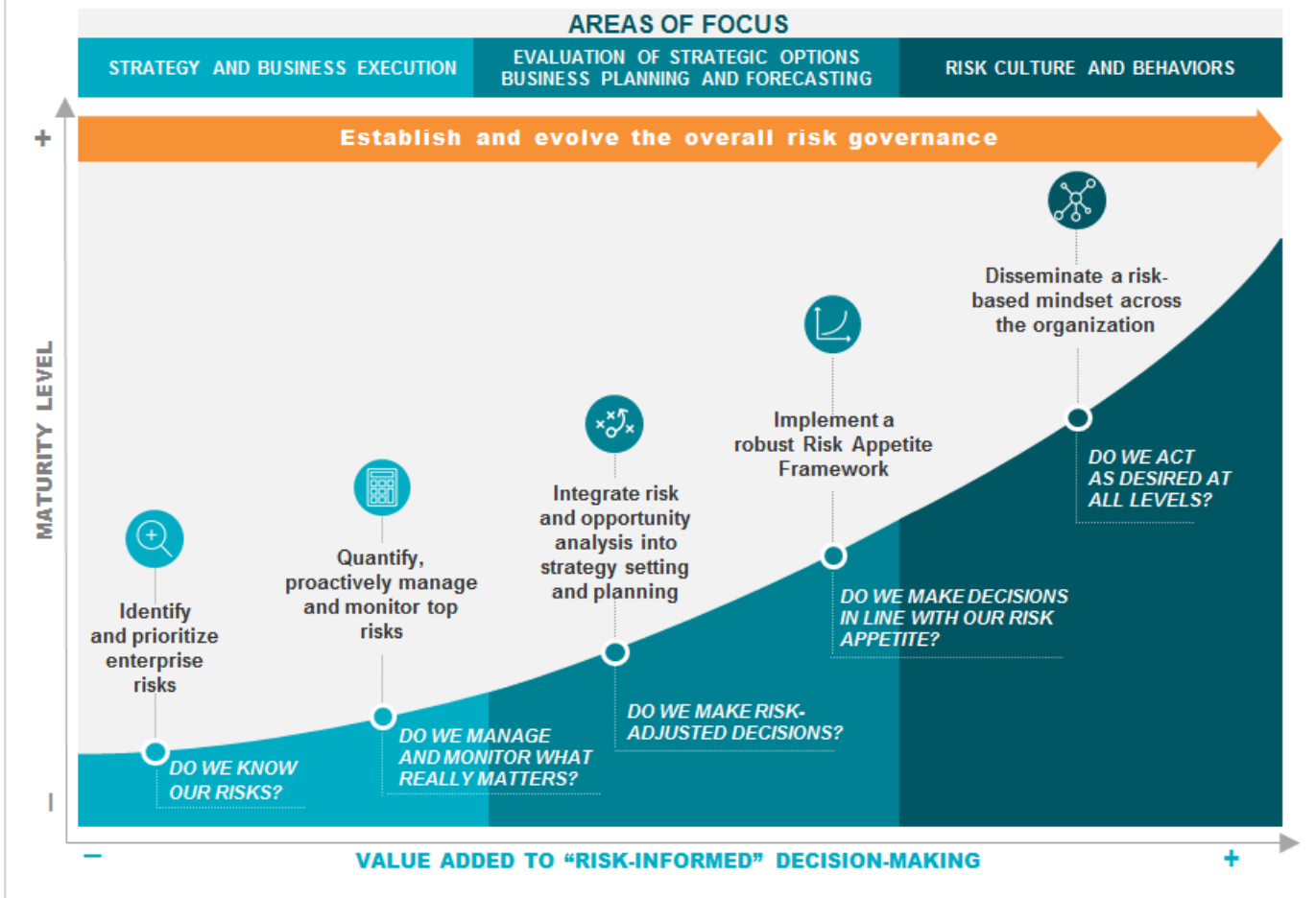
Companies are demanding value beyond "enterprise risk listing" activities. They want and need ERM programs that help them anticipate, adapt and respond to changes, focusing efforts and resources on risks and opportunities that can impact their strategy and performance.

Forward thinking organizations are using ERM to integrate strategy, business planning and key decision-making processes to drive better business performance. Since each Client's ERM program and goals are unique, we can support in guiding the ERM journey based on our deep experience and knowledge.

What is the real problem?

From	To
Risk listing activity for compliance/assurance purposes	Management tool to enhance business performance
Standalone process	Integrated with, and supportive of, strategy setting and business planning
Often qualitative exercises, with limited or no quantification	Value @risk focused
Emphasis on day-to-day activities, with limited or no quantified impact on key decision-making	Risk-return considerations for capital and resource allocation

Where does your company want to be on the ERM journey continuum?



We can meet Clients anywhere on their ERM journey and guide them forward to *Face the Future with Confidence*.



Who are the experts?

Emma Marcandalli
Managing Director &
Global ERM Lead
Milan



Guido Zanetti
Director
Milan



Crina Hirnia
Associate Director
Milan



Pasquale Vico
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Please reference the Protiviti website.