Operational Risk Management

You can't avoid operational risks in business today. But you can control how your organization responds. Are you able to quickly recognize high risk and get in front of it? Or do you struggle with identifying where risk has the potential to damage the business? Do you take a proactive approach to managing risk, or are your business teams constantly scrambling to limit damage when incidents occur?

Managing operational risk effectively requires looking at it holistically. Only with a full view of risk across the organization can you create an effective control framework to manage them. It's time to move toward an operational risk management program that provides ways to bring together the data from fragmented risk repositories.

Maturing into a more holistic approach makes it possible to use resources efficiently, create a clear picture of risk for the executive team and harness risk intelligence so there are fewer surprises and more opportunities to maximize performance.

Capabilities: What it Takes to Mature Operational Risk Management

Managing operational risk requires a collaborative, coordinated effort to:

- Consolidate data across the organization to provide an accurate picture of risk
- Enable the risk function to better understand, prioritize and manage risk
- Extend operational risk management across all business lines
- Harness risk to enable the business to maximize performance

RSA Archer's Operational Risk Management solution provides key capabilities to:

Establish the scope and context for operational risk management so the risk function fully understands the assets at risk and can assign accountability for them.
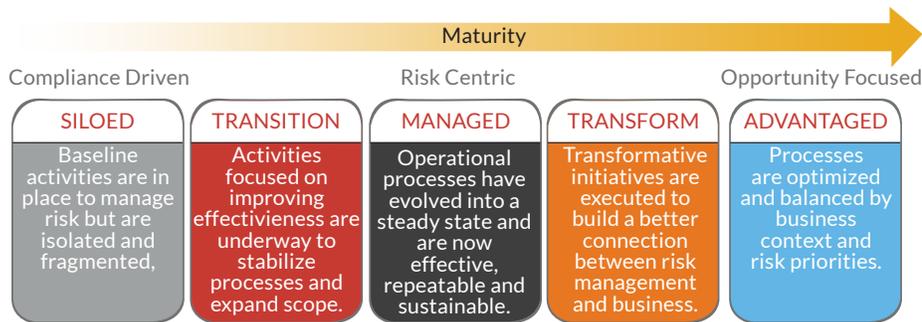
Identify and assess operational risks, as well as capture business changes that may alter risk profiles.

Treat operational risks with efficient methods of evaluating risk levels and establishing treatments.

Monitor operational risks and provide accurate and timely reports to stakeholders.

Stage by Stage: Mapping the Maturity Journey

RSA Archer Maturity Models guide organizations through the journey from baseline risk management to optimized processes that balance opportunities and risks. There are five stages along the way:

Maturity

Compliance Driven   Risk Centric   Opportunity Focused

SILOED	TRANSITION	MANAGED	TRANSFORM	ADVANTAGED
Baseline activities are in place to manage risk but are isolated and fragmented,	Activities focused on improving effectivieness are underway to stabilize processes and expand scope.	Operational processes have evolved into a steady state and are now effective, repeatable and sustainable.	Transformative initiatives are executed to build a better connection between risk management and business.	Processes are optimized and balanced by business context and risk priorities.

The Siloed Stage: Mastering the Basics
Organizations at this stage have minimal information about and insight into operational risk.

- There is no one system of record for inventorying people, processes and technologies and no way to assess risk across the organization.
- Visibility into risks and controls is limited; the information management has about them is likely incomplete.
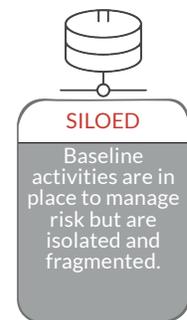
The Transition Stage: Stabilizing and Strengthening
Moving from Siloed to Managed, operational risk teams work to catalog and assess risks and controls.

- Products, services and systems are documented and mapped to the organization's structure, and a consistent approach to assessing risk is established.
- Controls are mapped to policy, procedures and regulatory obligations to drive an understanding of the organization's risk treatment approach.

The Managed Stage: Standing Firm
At this stage, there is a clearer, more complete understanding of risk across the organization.

- Business asset catalogs have established a common taxonomy or may be centrally documented with few redundancies.
- Accountability for identified risks and controls is established.
- Loss events are captured and regularly reported on to stakeholders.
- Stakeholders regularly receive a list of risks and controls that shows the relationship between their level of risk and their risk tolerance.

The Transform Stage: Asserting Control

SILOED
Baseline activities are in place to manage risk but are isolated and fragmented.

TRANSITION
Activities focused on improving effectiveness are underway to stabilize processes and expand scope.

MANAGED
Operational processes have evolved into a steady state and are now effective, repeatable and sustainable.

The organization's focus around risk becomes more proactive.

- Loss events are analyzed to minimize the risk of future occurrences.

- Monitoring of key indicators provides early warnings of changes in risk profile.

- Tests of control procedures help determine the organization's risk profile.

- Deficiencies in risk treatment are actively managed.

The Advantaged Stage: Riding the Wave

Risk is seen not just from the perspective of loss events but also as the cost of opportunity.

- Mapping of all infrastructure elements is complete.

- Approaches to risk identification and assessment are proactive and forward looking.

- Operational risk monitoring is robust, with information reported in a variety of ways.

Organizations ultimately realize the competitive advantages of harnessing risk: getting to market first, launching new products with calculated efficiency, and avoiding major issues that could wreck reputations and ruin bottom lines. For more detailed information about the RSA Archer Maturity Model for Operational Risk Management, visit **rsa.com/en-us/resources.**

About The RSA Archer Maturity Model Series

RSA Archer's vision is to help organizations transform compliance, manage risk and exploit opportunity with Risk Intelligence made possible via an integrated, coordinated GRC program. The RSA Archer Maturity Model series outlines the segments of risk management that organizations must address to transform GRC.

About RSA

RSA offers Business-Driven Security™ solutions that uniquely link business context with security incidents to help organizations manage risk and protect what matters most. RSA solutions are designed to effectively detect and respond to advanced attacks; manage user identities and access; and reduce business risk, fraud and cybercrime. RSA protects millions of users around the world and helps more than 90% of the Fortune 500 companies thrive in an uncertain, high risk world. For more information, visit **rsa.com.**

TRANSFORM

Transformative initiatives are executed to build a better connection between risk management and business.

ADVANTAGED

Processes are optimized and balanced by business context and risk priorities.