

BELIEVE

in a Structured Approach to Risk Management Success

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Businesses have been dealing with risk since commerce began. Early agrarian economies struggled with and planned for the unfortunate impact of inclement weather by storing reserves. Thousands of years ago, shipping activity was financed in part by simple insurance arrangements. In his treatise *Politics*, Aristotle referred to the concept of what we now know as “options,” allowing one to purchase goods at a pre-set price, thereby gambling on a change of circumstances. Over the centuries, various financial instruments and strategies were conceived to help reduce or share the risk of business success or failure, and by the mid-1600s, the most famous insurance company of all, Lloyds of London, was created to underwrite commercial endeavors against a wide range of hazards.

But today, risk management means more than finding insurance products or ways to share or redistribute financial risk. Sophisticated risk managers are evaluating risks that arise in every aspect of their organization’s operations and helping to identify opportunities as well. Chief Risk Officers are at the forefront of efforts to find value in processes and controls that enhance compliance with the growing array of regulations and to support strong corporate performance.