

Archer Enterprise and Operational Risk Management

With the increasing number, complexity and velocity of risks, ad hoc approaches to risk management create inefficiencies that leave risk management teams overwhelmed with their workload and the business scrambling to make informed business decisions. Risks can get lost “in the cracks” between risk functions, leaving the business to struggle to identify business priorities and assign accountability to known risks and controls. The result is reactive rather than proactive risk management, leaving the business to scramble to react when incidents occur.

Unfortunately, many organizations have not taken a proactive, comprehensive approach to managing risk. By managing distinct types of risks in different business silos and assessing risks using disparate methodologies and measurements, there is no way to provide management with an accurate and aggregated view of risk across the business. Without this aggregate view, risk cannot be consistently managed within the organization’s risk appetite. Additionally, risk analysis that delivers results that can be subjectively interpreted makes decisions even harder. The ambiguities of qualitative analysis can obscure the state of risk and lead to inefficient use of resources, ineffective risk mitigation or poor business strategies.

Your executive team and board of directors need assurance that your organization’s internal control framework is adequately designed and operating to ensure that risk is being effectively managed. Without this visibility, risk cannot be consistently prioritized and managed within the organization’s limits and there is no way to provide your executive team and board with an accurate, aggregated, and timely view of risk across the business.

Take Charge of Risk Management

Establishing a central repository for risk- and control-related data is the first step in ensuring you have an accurate and comprehensive view of risk that can be readily conveyed to your executive team and board. Engaging your business units (the first line of defense) in risk management practices extends your ability to gain greater insight into known and emerging risks. The engagement across your lines of defense strengthens the effectiveness of your risk management program by assuring your risk data is accurate and complete and your business unit managers are taking appropriate responsibility for their risks and internal controls.

Efficiencies gained by streamlined processes free up your risk management team to focus on more critical issues than program administration. The goal is to reduce the likelihood and impact of negative events and lost opportunities and increase the probability that your objectives will be met maximizing the performance of your business. Furthermore, the more granular you can analyze risk; the more likely your risk functions can deliver insights for better business decisions. By incorporating quantification into risk analysis, you can deliver cost benefit considerations taking into consideration the full range of outcomes and multiple impact

dimensions, Business stakeholders can evaluate risks with a granular comparison for clearer prioritization and the ability to aggregate and provide clarity on distribution of risks with a view to deciding distribution of resources and prioritization of treatment.

The Archer Advantage

Archer Enterprise and Operational Risk Management provides a clear and consolidated view of risk that allows you to prioritize risks, efficiently deploy resources to address the most critical problems and elevate risk management as a new source of competitive advantage.

Engage business units as the first line of defense

Risk management is not solely the responsibility of the risk management specialist. Your business units must be more directly involved with day-to-day risk management. Business unit managers know which risks are changing, which risks are emerging, which risk treatments are being implemented and how well controls are operating. You can partner with the first line of defense to engage business teams to be actively involved in understanding and assessing risks within their complex operations. This allows risk managers to consume new risk information more easily into existing risk management processes and expand their risk programs to uncover emerging risks, including those emerging from business changes.

Address risk consistently across the business

Many businesses experience loss events and incidents that are not identified, assessed, treated, and monitored consistently across all business units. When business units talk about risk in a different “language” with different measurements, controls and reporting, everyone has a different view and evaluation of the risks to the business. Archer Enterprise and Operational Risk Management enables you to standardize the risk management process across your enterprise. You can establish a common risk language, measurement approach, and rating scale and explicitly articulate individual responsibility for business activities, risks, controls, policies, and procedures. This enables you to quickly prioritize risk, clearly inform all stakeholders, and evaluate and manage risk consistently. When incidents or gaps occur, you can escalate risk decisions in accordance with the significance of each risk and the authority to accept risk delegated to managers.

Improve risk visibility

For effective risk management, you need to be able to understand the complex relationship between business processes, risks, and controls, and quickly report and respond to risks that impede your organizational objectives as they emerge.

Without a centralized approach that provides critical business context, it is difficult to get a complete view of the state of your organization’s risk without spending weeks sifting through data. Your executive team and board require an accurate, real-time picture of risk to properly allocate resources and make better business decisions. Loss events and key risk indicators provide insight into current risks

Archer Enterprise and Operational Risk Management helps enforce accountability for risk and internal controls.

and allow you to keep track as warnings emerge, perform risk analyses, and quickly explore the entire risk management framework deeply in real time to understand risk drivers.

Archer Enterprise and Operational Risk Management

Archer Enterprise and Operational Risk Management makes it easy to engage your first line of defense to identify and assess risk; evaluate, approve, and respond to loss events; oversee key risk indicators; and manage day-to-day tasks, issues, and remediation plans. Serving as an aggregation point for your organization's risk management program, Archer brings together data often found in siloed risk repositories to identify, assess, evaluate, treat, and monitor risks consistently across your organization. With the ability to better understand, prioritize and manage known risks, you can expand your program to include additional business units and risks, or redeploy risk management resources freed up because of more efficient program management.

Archer Enterprise and Operational Risk Management provides several use cases to meet your specific business needs and risk management program maturity journey, including:

- **Archer Top-Down Risk Assessment** provides the foundation to record and track risks across your enterprise and enables you to establish and govern risk taxonomies. As your program evolves, this use case helps you build a consistent approach to define and identify risks via an enterprise process or bottom-up first line risk owners. Inherent and residual risk can be assessed utilizing a top-down, qualitative, and semi-quantitative approaches descriptive values and ranges for high, medium, and low risks), with assessed values rolling up to the associated business unit and enterprise risks.
- **Archer Insight** enables enterprise-wide risk quantification capabilities designed to deliver richer detail on the impact of risk and the effect of risk mitigation activities in business relevant terms giving management the inputs necessary to make risk-informed business decisions. Archer Insight is the IRM (Integrated Risk Management) market's first enterprise risk and quantitative analysis solution. providing concise and defensible information based on frequency and impact of risk events. Archer Insight builds off existing enterprise risk programs and qualitative or semi-quantitative programs, allowing customers to start with quantification, or transition into quantitation using the existing GRC (Governance, Risk and Compliance) data they have today.
 - **Archer Insight Workbench** is a complimentary product designed to enable risk analysts to build and analyze risk models for deeper analysis using quantitative techniques such as Monte Carlo simulations and an Excel supported plug in for flexible model development.
- **Archer Loss Event Management** allows you to capture and inventory actual loss events, near misses and external loss events that may be relevant to your business and industry. Loss event root cause analysis can be performed for the purpose of taking appropriate actions to reduce the likelihood and impact of similar losses occurring in the future.

The robust reporting and risk management architecture delivered by Archer Enterprise and Operational Risk Management allows you to report and respond to risks that challenge your organizational objectives as they emerge.

- **Archer Key Indicator Management** provides a means to establish and monitor metrics related to risks, controls, strategies, and objectives. With configuration, metrics can also be associated with other elements of an integrated risk management framework, such as products, services, and business processes, to monitor quality assurance and performance.
- **Archer Bottom-Up Risk Assessment** enables you to engage in targeted project risk assessments. Projects can be documented, and questionnaires can be created with custom questions and questions derived from Archer's extensive library of thousands of out-of-the-box questions.
 - **Archer Engage** extends the benefits of Archer beyond risk teams, delivering a streamlined user experience for first line business users to provide input into risk analysis.
- **Archer Key Indicator Management** combines multiple elements of risk management activities, including risk and control registers, loss events, root cause analysis, and workflow review and approval. The use case includes the Enterprise Risk Management, Risk Assessment Management, Key Indicator Management, and Issues Management use cases along with support to build risk self-assessment campaigns (control selfassessments [CSAs], risk and control self-assessments [RCSAs], and process, risk and control self-assessments [pRCSAs]).
- **Archer Key Indicator Management** allows you to capture and consolidate risks that exceed acceptable levels and need to be addressed; failed or deficient internal controls; key indicators outside boundaries; and loss events requiring remedial actions.

Archer Enterprise and Operational Risk Management serves as an aggregation point for your organization's operational risk management program, enabling you to analyze understand, prioritize, and manage risks whether you use qualitative, semi-quantitative or quantitative analysis. The solution allows you to expand and evolve your program as your business needs change. Your organization can harness risk intelligence to reduce the likelihood and impact of negative events, lost opportunities, and surprises and increase the likelihood of achieving your objectives to maximize performance.

About Archer

Archer is a leading provider of integrated risk management (IRM) solutions that enable customers to improve strategic decision-making and operational resilience with a modern technology platform that supports qualitative and quantitative analysis driven by both business and IT impacts. As true pioneers in GRC software, Archer remains solely dedicated to helping customers manage risk and compliance domains, from traditional operational risk to emerging issues such as ESG. With over 20 years in the risk management industry, the Archer customer base represents one of the largest pure risk management communities globally, with more than 1,200 customers including more than 50% of the Fortune 500.

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