RIMS 2015
ANNUAL CONFERENCE & EXHIBITION >> APRIL 26-29
NEW INNOVATIONS >> NEW ENCOUNTERS >> NEW KNOWLEDGE
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From Reactive to Proactive: How Risk Managers Can “Game Change” an Organization’s Approach Toward Overseas Footprint Risks

(TLT013)

Speakers:
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What We Want to Accomplish Today

At the end of this session, you will: (list key learning objectives and takeaways that attendees will learn)

• Understand and Define Your Risk
• Duty of Care Integrated Risk Model I 8 Steps
• Additional Resources
  – Prevent
  – Corporate Health Trends Report
  – Duty of Care Benchmarking Report
## TOP GLOBAL BUSINESS RISK FOR 2015

<table>
<thead>
<tr>
<th>#</th>
<th>Risks</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Business Interruption and Supply Chain Risk</td>
<td>46</td>
</tr>
<tr>
<td>2</td>
<td>Natural Catastrophes</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Fire/Explosion</td>
<td>27</td>
</tr>
<tr>
<td>4</td>
<td>Changes in Legislation and Regulation</td>
<td>18</td>
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<tr>
<td>5</td>
<td>Cybercrime, IT Failures, Espionage, Data Breaches</td>
<td>17</td>
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<tr>
<td>6</td>
<td>Loss of Reputation or Brand Value</td>
<td>16</td>
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<tr>
<td>7</td>
<td>Market Stagnation or Decline</td>
<td>15</td>
</tr>
<tr>
<td>8</td>
<td>Intensified Competition</td>
<td>13</td>
</tr>
<tr>
<td>9</td>
<td>Political/Social Upheaval, War</td>
<td>11</td>
</tr>
<tr>
<td>10</td>
<td>Theft, Fraud and Corruption</td>
<td>9</td>
</tr>
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</table>
What risks (aside from financial reporting) they thought posed the greatest challenges to their companies?

<table>
<thead>
<tr>
<th>#</th>
<th>Risks</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Uncertainty and Volatility (economic, regulatory, political)</td>
<td>52</td>
</tr>
<tr>
<td>2</td>
<td>Government regulation/impact of public policy initiatives</td>
<td>47</td>
</tr>
<tr>
<td>3</td>
<td>Legal/regulatory compliance</td>
<td>33</td>
</tr>
<tr>
<td>4</td>
<td>Operational risk</td>
<td>30</td>
</tr>
<tr>
<td>5</td>
<td>Talent management and development</td>
<td>27</td>
</tr>
<tr>
<td>6</td>
<td>Growth and innovation</td>
<td>26</td>
</tr>
<tr>
<td>7</td>
<td>Pace of technology change</td>
<td>21</td>
</tr>
<tr>
<td>8</td>
<td>Possible disruption to business model</td>
<td>20</td>
</tr>
<tr>
<td>9</td>
<td>Cybersecurity</td>
<td>16</td>
</tr>
<tr>
<td>10</td>
<td>Global Systemic Risk (pandemic, social unrest, geopolitical instability)</td>
<td>9</td>
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Real Risks Hit Headlines & Boardrooms

Natural disasters. Illness. Accidents. Crime

They happen to someone, somewhere every day. What if that someone Real Risks Hit Headlines & Boardrooms is your employee? Would he or she now what to do? Would you - as the risk manager - know?
Definition

Identification, assessment, and prioritization of risks (defined as the effect of uncertainty on objectives) followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

Any event, action or inaction which is likely to prevent an organization from achieving its main objectives (directly or indirectly) ». A risk may also turn into an opportunity
Risk Assessment
Define Your Risk I Travel Risk Mitigation
International Business Travelers, International Assignees & Dependents

Duty of Care

Employers are expected to take practical steps to safeguard the health, safety and security of their employees against any reasonably “foreseeable” risk.

Duty of Loyalty

The duty of an employee not to compete with the interests of the organization.
Why Risk Managers?

- According to study that included 628 global organizations, Risk Managers are key stakeholders.

### Major duty of care stakeholders

<table>
<thead>
<tr>
<th>Primary responsibility</th>
<th>Coordination responsibility</th>
<th>Decision-making responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 HR</td>
<td>1 HR</td>
<td>1 Senior management</td>
</tr>
<tr>
<td>2 Security</td>
<td>2 Security</td>
<td>2 HR</td>
</tr>
<tr>
<td>3 Senior management</td>
<td>3 Travel</td>
<td>3 Security</td>
</tr>
<tr>
<td>4 Travel</td>
<td>4 Risk management</td>
<td>4 Risk management</td>
</tr>
<tr>
<td>5 Risk management</td>
<td>5 Senior management</td>
<td>5 Travel</td>
</tr>
</tbody>
</table>
Follow Plan – Do – Check Model

Integrated duty of care risk management model

1. Assess company-specific risk
2. Plan strategically
3. Develop policies & procedures
4. Manage global mobility
5. Communicate/educate/train
6. Track & inform
7. Advise, assist & evacuate
8. Control & analyze

Feedback
Self Assessment Tool

Best Practice Checklist

Where are you on the Duty of Care Continuum?

Assess Risk
- Do you objectively assess country risk?
- Do you regularly assess employee risk?
- Do you have support from experts?

Plan Strategically
- Who owns Travel Risk Management (TRM)?
- Which functions participate in TRM?
- How do you integrate the components of TRM?

Develop Policies & Procedures
- Do you have TRM policies and procedures?
- Does your travel policy include an approval process for travel to high-risk destinations?

Manage Global Mobility
- Who conducts due diligence on your partners and vendors?
- Are your processes consistent globally?

Communicate/Educate/Train
- How do you prepare travellers and expats for assignment?
- Do your travellers know what to do and who to contact in an emergency?

Track & Inform
- How do you track and monitor your travellers?
- Who owns the data and how is it used?

Advise, Assist & Evacuate
- Do you provide your employees with a 24-hour advice and assistance number to call?
- Do your medical and security providers communicate to integrate their response?

Control & Analyze
- Do you have clear escalation paths for major incidents?
- Is compliance with internal policy tracked?
Plan

- **Step 1: Assess company-specific risk**

  **BASELINE:**
  Know who travels where and what the travel risks are

- **Step 2: Plan strategically**

  **BASELINE:**
  Have a risk management plan and incident management team in place

- **Step 3: Develop policies & procedures**

  **BASELINE:** Have travel approval authorization and (medical and security) alerts in place
Step 1: Assess Company Risk

Integrate data and technology to help define

- TravelTracker
Step 2: Plan Strategically

Have a risk management plan and team in place

**Travel Risk Policy Advisory**

- Clarify and articulate your company’s commitment to travel risk mitigation
- Agree ownership and support buy-in and alignment with stakeholders
- Ensure safe travel to minimise business disruption
- Raise awareness, understanding and compliance with your obligations as an employer
Step 3: Develop Policies & Procedures

Have a travel approval authorization and alerts in place

- Travel Ready I Compliance

![Image of a travelReady form](Image)
Do

- **Step 4: Manage Mobility**
  **BASELINE:**
  Conduct a risk assessment prior to every departure

- **Step 5: Communicate, Educate & Train**
  **BASELINE:**
  Communicate travel risk prior to departure and changing risk once traveling

- **Step 6: Track & Inform**
  **BASELINE:**
  Track travel and accommodations and communicate changing risk

- **Step 7: Advise, Assist & Evacuate**
  **BASELINE:**
  Make health, safety and security concerns of employees the priority in decision-making
Step 4: Manage Mobility

Conduct a risk assessment

1. Establish a medical screening matrix adapted to your population
2. Align a reliable network of medical providers to your requirements
3. Support the employee with health check logistics
4. Medical review by International SOS specialists and provide Fitness certificate to employer
5. Health Summary to employee
6. Store and manage data in proprietary software
7. Provide activity analysis on medical status of population to the employer
Step 5: Communicate, Educate & Train
Medical and Security Expert Advice in Real Time I Pre-travel automated email

CALL FOR ASSISTANCE
If you need routine advice, click on the ‘Call for Assistance’ button.

The call will be directed to the nearest International SOS assistance center.

Call us Now
Calls the nearest Assistance Center if you need routine advice or assistance during an emergency.

Check In
Allows your travelers to ‘check-in’ so you know where they are in case of an emergency.

Global Information
Special advisories that effect multiple regions around the world
Step 6: Track & Inform

• Active Monitoring: Travel Trail View

Track travel and communicate changing risk
Active Monitoring in action: Geofencing

Virtual fences are drawn around specific areas on the online mapping interface. Upon breaching the fence, the Vismo app will send an alert email to the Global Security Centre and display a pop-up on the Vismo administrator console screen.
Step 7: Advise, Assist & Evacuate

Insurance is not always enough

- Global Footprint
Check

Step 8: Control & Analyze

BASELINE:
Have compliance/enforcement mechanism in place
Step 8: Control & Analyze

Review Research

RETURN ON PREVENTION

COST OF FAILURE

$950,000

The cost of failed assignments ranges between US$570,000 and $950,000

MEDICAL CHECK PROGRAMME: COST-BENEFIT

$2.53 return

$1 invested

Cost-benefit analysis showed that US$1 invested returns a benefit ranging from US$1.6 (minimum scenario) to US$2.53 (maximum scenario)

MALARIA PREVENTION: COST-BENEFIT

Reduction in occurrence of fatal cases of malaria

70%

$1.32 return

$1 invested

Cost-benefit analysis showed that US$1 invested returns a benefit of US$1.32
Additional Resources

Blog: http://dialoguesondutyofcare.com
www.internationalsosfoundation.org
www.ichlc.org