

Barilla

The Italian Food Company. Since 1877.

Enterprise Risk Management in Barilla

**Rischio Operativo
Convegno Annuale DIPO
Roma, June 28th**



Today Agenda

- **ERM in Barilla: Main Features**
- **Operational Risk: Comparing Manufacturing & Banking**

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Enterprise Risk Management – Ice breaker

What is the meaning, according to you, of the following words?

- Risk
- Risk Profile
- Risk Appetite
- Risk Capacity



Enterprise Risk Management – Definitions & Scope

Risk is an integral part of doing business and can be defined as...

“any uncertain event that could threaten the achievement of Business Objectives and Strategies or the company’s key value drivers”



Taking measured risks is therefore our business

Our responsibility is to ensure that the current Group risk exposure is consistent with our Risk Appetite and does not exceed our risk capacity, in order to achieve long-term sustainable performances

Always being able to check whether the Group risk profile is in line with our risk appetite



Risk Capacity

(maximum risk that the firm could withstand and remain a going concern)

Risk Appetite

(amount of risk the Group is willing to accept in pursuit value creation)

Risk Profile

(aggregation of single risks)

Single Risks

Enterprise Risk Management – Target & expected results

- **Business Objectives & Strategic Area:**

- Reaching a better level of control reducing unacceptable performance variability (uncertainty)
- All significant risks that can threaten the achievement of business objectives and strategies are timely identified and properly addressed
- *Strategic & Business Plans are more robust and in line with Executives' risk appetite*
- *Resources are allocated based on risk-return analysis*

- **Management Area:**

- *Silos approach is broken, risk culture & awareness is spread and cascaded across the organization*
- *Existing risk management practices are harmonized, aligned and improved across the organization*

- **Organizational Area:**

- *All significant risks have responsible owners and are reported at the appropriate executive level*
- Risk Management is more transparent and cross divisional

- **Governance Area:**

- Governance and compliance initiatives are embedded, coordinated and more efficiently managed

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Operational Risk

A comparison between Manufacturing & Banking

- *Business Need*
Compliance VS Willigness
- *Organizational Framework*
The CRO positioning and its relationship with the CFO
- *Approach*
Top Down VS Bottom Up
- *Risk Registers Comparison*
and the operational risk different weight
- *Quantitative Modelling*
feasibility and output