

# **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





• ERM in Barilla: Main Features

• Operational Risk: Comparing Manufacturing & Banking



### 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

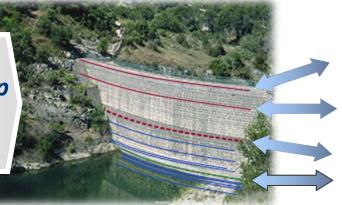
Risk is an integral part of doing business and can be defined as...

"any uncertain event that could threaten the achievement of <u>Business Objectives</u> and Strategies or the company's key value drivers"

Taking measured risks is therefore our business

Our responsibility is to ensure that the current <u>Group risk exposure is consistent with</u> <u>our Risk Appetite and does not exceed our risk capacity</u>, in order to achieve longterm 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
- <u>Resources are allocated based on risk-return analysis</u>

#### • 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





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



### **Operational Risk**

### A comparison between Manufacturing & Banking

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

