



SAS® Discovering OpRisk Management

Innovative e-learning to embed risk awareness





Cost-effective training for operational risk management through e-learning

Are you struggling to meet regulatory demands for training and competency in risk management?

Are you confident that your employees are as aware of operational risk as they need to be?

Do you need to reduce losses caused by external events; or due to the failure of internal processes, people and systems?

Read on to find out how you can cut the cost of raising operational risk awareness by up to 50 percent?

Would your organisation benefit from improved operational risk awareness?

Lack of awareness a key barrier

Financial institutions face constant operational risk losses; one underlying factor is a *lack of awareness* among staff. Indeed, a 2004 survey by SAS and *Risk Magazine* reported that 'lack of staff awareness' was a key barrier to successful operational risk management.

Serious financial losses

This can result in serious financial losses, plus the potential for reputational losses and further impacts on market and consumer perceptions.

Pressure from regulators

At the same time, companies are under pressure from regulators to ensure effective operational risk management; under the Financial Services and Markets Act 2000, the FSA requires companies to maintain sufficient levels of training and competence.

The issues you face

Often, people don't fully understand the significance of operational risk and its management as part of their day-to-day work; they can approach risk initiatives as simply another 'regulatory exercise' without appreciating the underlying business value and opportunities. As a result, staff cannot contribute effectively to important initiatives such as risk identification, risk control self-assessment, scenario analyses, monitoring, mitigation and more. Furthermore, central operational risk teams cannot expect proactive participation from business units for various initiatives.

If staff are unaware of risks in their day-to-day activities, the impact can be significant. This may result in inappropriate controls, as well as a reactive crisis management culture rather than one of proactive loss prevention culture.

Companies today are incurring significant losses resulting from lack of risk awareness: publicly available figures show that between 2002 and 2004, operational risk losses worldwide ran to **US\$176 billion** – in the same period, UK losses were estimated at **US\$5 billion**.

Source: SAS OpRisk Global Data

"Operational risk is all around us and we need to ensure that people are trained to recognise it. People need additional stimuli and the e-learning tool will be part of this".

Chris Sowinski, Risk Development Manager, GMAC-RFC



Value Value



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While it's essential for companies to make staff more aware of operational risks, traditional classroom methods have proved expensive and inflexible – especially when you need to train staff on a national or international scale.

To address this market challenge, SAS has developed an innovative e-learning training course: SAS® Discovering OpRisk Management. This new offering from SAS is the fastest, most cost-effective and 'stickiest' way of creating risk awareness among all your staff. Importantly, the course can be deployed globally via the web to deliver customisable messaging, enable more effective knowledge transfer, and allow a consistent 'risk language' to emerge.

This programme is part of SAS' ongoing commitment to enable financial institutions to implement end-to-end operational risk management solutions: you can work with a single expert vendor to address all your requirements.

Developed by the industry for the industry

SAS Discovering OpRisk Management was created in partnership with a steering committee of industry experts drawn from investment banking, insurance and retail banking. It draws on SAS' exceptional domain expertise in operational risk and is a crucial component of the SAS Operational Risk Management solution. Designed for everyone in an organisation, the objective was simple: by improving awareness, people at all levels can better anticipate, respond and react to risks.

"E-learning balances the seriousness of the subject matter with the need to grasp and maintain attention of the people being trained. The product has a number of innovative features which help to do this."

Tony Rogers, Senior Compliance Manager, GMAC-RFC



Flexibility Flexibility



Course structure and objectives

The course is designed to drive a change in mindset in which everyone in the organisation takes responsibility for managing operational risk. Interactive and customisable, content keeps participants engaged, using real-life examples and exercises to make activities relevant and up-to-date. It's all about practice rather than theory.

We expect up to 20% of the content to be tailored to meet an organisation's specific environment, e.g. incorporating your specific policies and procedures. Useful elements include a Risk Culture Survey to periodically assess the risk culture in the organisation, while Risk Assessment Surveys detect risk exposures that may have gone undetected in the past.

Essential areas covered

- Awareness and understanding of operational risks
- Definition and examples of various categories of operational risks
- Operational risk management process: identification, assessment, control and monitoring
- Real-life examples of operational risk events
- Benefits to the organisation
- The role of the individual: customisable content covering company policies and procedures, risk systems and an appropriate risk culture.

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The course covers essential requirements for Basel II, Sarbanes-Oxley and Solvency II – yet requires no prior risk knowledge and takes only 60-90 minutes to complete.

- Interactive multimedia content is available to all staff at all times
- Self-paced and repeatable e-learning covers concepts, principles and practice
- A customised 'chapter' deals with your own policies and procedures
- Online risk culture and assessment through periodic surveys
- Annual updates include the latest industry and risk-related developments
- Audit trail of who has been trained and when with final test results.



Change



The benefits

Individuals

After completing the course, your staff will be empowered with the appropriate knowledge and attitudes to:

- Understand the importance of operational risk management, the business benefits and the approaches adopted by your company
- Integrate risk management processes into their daily activities
- Contribute more effectively to various operational risk management initiatives
- Proactively identify adverse risks within their environment and implement a continuous risk management process.

The business

Perhaps for the first time, organisations will have an opportunity to:

- Embed risk awareness across the business and ensure a common risk language
- Develop an effective operational risk management process; staff will understand what constitutes an operational risk and be empowered to communicate issues and weaknesses to their risk expert
- Establish an integrated operational risk framework to drive:
 - Better loss data collection
 - An improved risk management culture through effective risk control self-assessment
 - Continuous alignment of policies and procedures with changing requirements
 - Improved corporate governance through clearer roles and responsibilities
- Adopt a more cost-effective way of training existing and new staff
- Make more effective use of and achieve a better ROI from operational risk systems
- Enable compliance with regulatory training requirements.

"The market, business requirements and regulators require financial institutions to develop high levels of operational risk awareness across all of their staff... SAS Discovering OpRisk Management e-learning course is the most effective way to achieve this".

Peyman Mestchian, Head of Risk Intelligence Practice, SAS EMEA

Empower



Taking operational risk seriously

The 2004 survey by SAS and *Risk Magazine* revealed four key obstacles to operational risk management: combining qualitative and quantitative data; collating enough historical data; ensuring data quality; and the ability to model risk. The survey also reported dissatisfaction with the technology available, and a desire to achieve measurable benefits such as reduced losses, improved accountability and better performance management.

The SAS Operational Risk Management Solution addresses all of these issues, providing a new generation of business intelligence software and services to create true enterprise risk intelligence. With SAS' track record in end-to-end quantitative and qualitative data management, analytics and integrated information delivery, combined with experience across the financial services industry, organisations are assured of an extendable, scalable solution to accommodate their changing requirements.

SAS provides new insights and greater control over all internal and external risks, enabling you to manage their causes and effects, determine capital adequacy, make better decisions in hedging and risk mitigation and, ultimately, achieve greater business value and increased returns while avoiding losses. At the same time, our global presence and support network mean we can meet the needs of even the largest banking and finance institutions.

About SAS

SAS has been in the business of business insight for nearly three decades. SAS solutions are used at over 40,000 sites to develop more profitable relationships with customers and suppliers and make accurate and informed decisions. SAS completely integrates leading data warehousing, analytics, and traditional business intelligence applications to create intelligence from massive amounts of data.

For more information, visit:

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