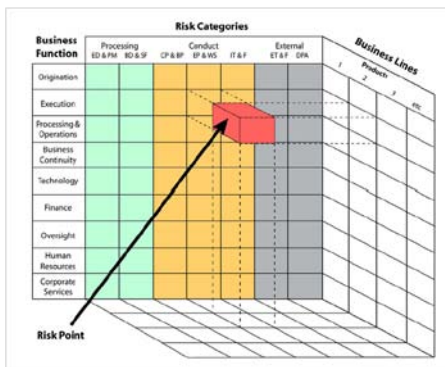


KRI Services

Business line and corporate function management can often be overwhelmed by the task of determining the most important risks and appropriate KRIs. Without a strong framework for risk assessment, it's easy to overlook emerging risks, risks at the point of process hand-offs, and routine "sundry" losses.



Setting Up a Key Risk Indicator Program?

Key risk indicators have one very specific quality which no other operational risk programme offers – ‘real-time’ exposure information. Similar to the way in which the fuel, oil pressure, engine temperature gauges and speedometer in a car all provide you with vital information about your safety on a road trip, KRIs are the only mechanism for management to get real-time targeted feedback needed to make mid-course adjustments as required. And that’s essential to the achievement of business goals and the safety of the organisation.

While most financial institutions recognise the potential value of a KRI programme, many are struggling to get one started, or to get more out of efforts currently underway. Even with strong sponsorship and organisational support, a lack of focus, consistency, transparency or completeness can all torpedo nascent KRI programmes – you can collect the data, but what is it telling you, and what are you going to do about it?

Our Approach

Our KRI Framework and Detailed Risk Categories, Business Functions and Business Lines are designed to support the businesses in conducting a systematic assessment of risk. They have the added advantage of providing a robust language and classification structure which can be used to link all kinds of operational risk data, for enhanced analytics and reporting.

Once key risks are identified, businesses can leverage the KRI Library to conduct a targeted search of an industry-developed database of over 2000 potential KRIs. This resource can help businesses avoid the pitfall of focusing solely on the data they have, without identifying the data they need. And each KRI in the library is fully specified in order to ensure complete clarity regarding the nature of the data to be collected – important when you want to ensure ‘apples-to-apples’ comparisons between businesses, and meaningful KRI aggregation.

KRI Services

RiskBusiness provides a number of on-line services through KRI Services at www.KRIeX.org and www.riskbusiness.com. KRI Services can help you get your KRI program underway, with a Library of KRIs, a monitoring and tracking service, and industry wide or internal benchmarking capability.



Subscribers also get a right-of-use licence to the underlying KRI Framework which can be used to link loss data management activities, risk and control assessments, capital allocation and scenario assessment aspects to KRIs to form the overall operational risk management framework for the firm.

KRI Library

- Consists of over 2,000 fully specified KRIs generated by industry practitioners, and linked to specific business lines, risk types and activities.
- Industry Risk Maps assessed by your peer institutions and organised by business and region, allow you to see where the industry has identified its highest risks. Compare these with your own risk profiles to identify differences for further investigation.
- Special interest groups and conferences allow you to learn from industry colleagues.

KRI Monitoring Service

- An on-line, cost-effective system to collect data and report on your choice of KRIs.
- Data can be uploaded manually, imported via spreadsheets, or through custom-built interfaces to your source systems, making data collection as easy and quick as you wish.
- Comprehensive aggregation capability to consolidate dimensions of data to higher levels.
- Enforced confidentiality through submission status and authorisation steps.
- Risk thresholds, triggers and performance objectives can be established, as well as automated email warning messages to ensure timely management of risk.

KRI Benchmarking Service

- An on-line service that supports anonymous and secure industry or internal benchmarking of KRIs.
- Special interest groups agree on KRIs to be benchmarked, and collect and submit data, and the Service provides reports showing each participant's values and performance compared to that of anonymised peer group. Understanding your risk relative to your peers will inform risk/return decisions and support business cases for increased or decreased controls. Benchmarking also provides insight as to your relative performance, and sends a strong message to key stakeholders about your commitment to risk management.

For more information on KRI Services, please contact RiskBusiness International through one of the contacts provided on our website www.RiskBusiness.com, or email us at info@RiskBusiness.com.

RiskBusiness International Limited
www.RiskBusiness.com
City Point, 1 Ropemaker Street
London EC2Y 9HT, UK

