

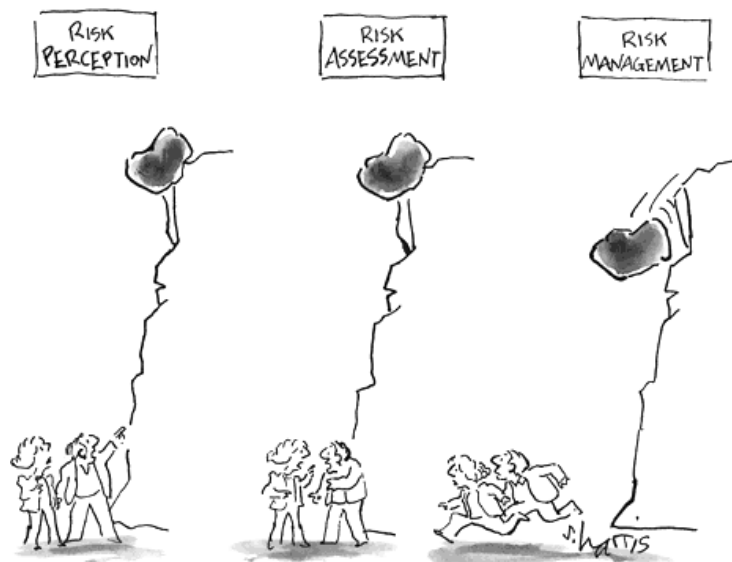
## Definitions of Risk Management

**Traditional Definition** – Risk Management is the process of identifying, assessing and controlling losses for an organization.

**Enterprise Risk Management** - Enterprise risk management (ERM) is the process of planning, organizing, leading, and controlling the activities of an organization in order to minimize the effects of risk on an organization's mission. Enterprise risk management expands the process to include not just risks associated with accidental losses, but also financial, strategic, operational, and other risks. ERM provides a framework for risk management, which typically involves identifying particular events or circumstances relevant to the organization's objectives (risks and opportunities), assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress. By identifying and proactively addressing risks and opportunities, Organizations can protect their assets and create greater safety for their members, employees, volunteers and communities. ERM integrates concepts of strategic planning, operations management, and internal control in an organization's risk management plan.

### Critical Risk Management Functions:

- Assessment – identification, analysis, trends, etc.
- Financing – insurance, excess, retention, transfer, etc.
- Control – avoidance, prevention, reduction



*Other topical safety & risk management resources are available from Safe-Wise Consulting.*