



ENTERPRISE RISK MANAGEMENT: *Risk Quantification*

Organisations of all shapes and sizes - private, government or not-for-profit - take risks to achieve their goals. The challenge is to understand just how to prioritise one risk against another when it comes to allocating their scarce resources.

Many organisations don't have a formal approach to understanding the potential consequences of a risk or the likelihood of it occurring. They will often use a 5 by 5 heat map to estimate likelihood and consequence and then prioritise the risk that comes out as the highest.

Contact Us:

To book, or for more information on course details and confirmed dates, please contact us by phone or email.

Brian Chu
brian.chu@mq.edu.au | +61 403 013 893

Anthony Wilson
anthony.wilson@abmrisk.com.au | +61 404 829 040

Brett Palmer
brett.palmer@abmrisk.com.au | +61 438 435 545

Tony Anderson
tony.anderson@abmrisk.com.au | +61 401 718 481

Course Level: SPECIALIST WORKSHOP

Duration: 2 days

Prerequisite: n/a

About the Course

This course is designed to provide the knowledge to leverage quantification techniques, specifically focusing on Monte Carlo analysis. This enables a more accurate view of the magnitude of each risk and its likelihood and complements the qualitative 'heatmap' process. This secondary analysis is ideal for better understanding high rated risks. Importantly, you don't need a math's degree!

Course content can be customised to client's specific requirements.

Targeted Audience

If your organisation hasn't embraced quantification as part of your risk management toolkit, or you are a financial institution only using models for Market, Credit or Liquidity risk, then this program is for you!

How does the program align to recognised Standards?

The course is aligned to international standards on risk – ISO31000:2018, which provides a guideline that any organisation can adapt to their own needs. The standard provides principles, a framework and process for managing organisational risk.

Required Materials

Attendees should bring a laptop with Microsoft Excel installed.

Spreadsheets for use in the program will be emailed prior to attendance.

Attendees should think about a business risk that may benefit from quantification to discuss at the workshop.

Participants will learn...

- Understand the principles that underlie an efficient and effective approach to the modelling of organisational risk and the value it brings to the organisation.
- Apply the core elements of quantification in risk management to help an organisation understand their risk environment.
- Understand the quantification process and apply it to real organisational problems of differing size and complexity.
- Apply the principles of risk quantification and statistical modelling into building stochastic cashflow models.
- Apply the Monte Carlo simulation approach to modelling real-life scenarios.
- Develop the ability to communicate risk model output to different stakeholders.

Format of the Course

The course is conducted in the form of a Learning Workshop with the following aims:

- Clarify and embed an understanding of quantification and its application to risk management
- Key issues on quantification, including:
 - What types of risks can I quantify?
 - What makes a good quantification model?
 - How do human biases affect decisions, and how does quantification help?
 - How do you interpret and communicate results?