

Risk Is Our Business

Charting Your Course in Modern Risk Management

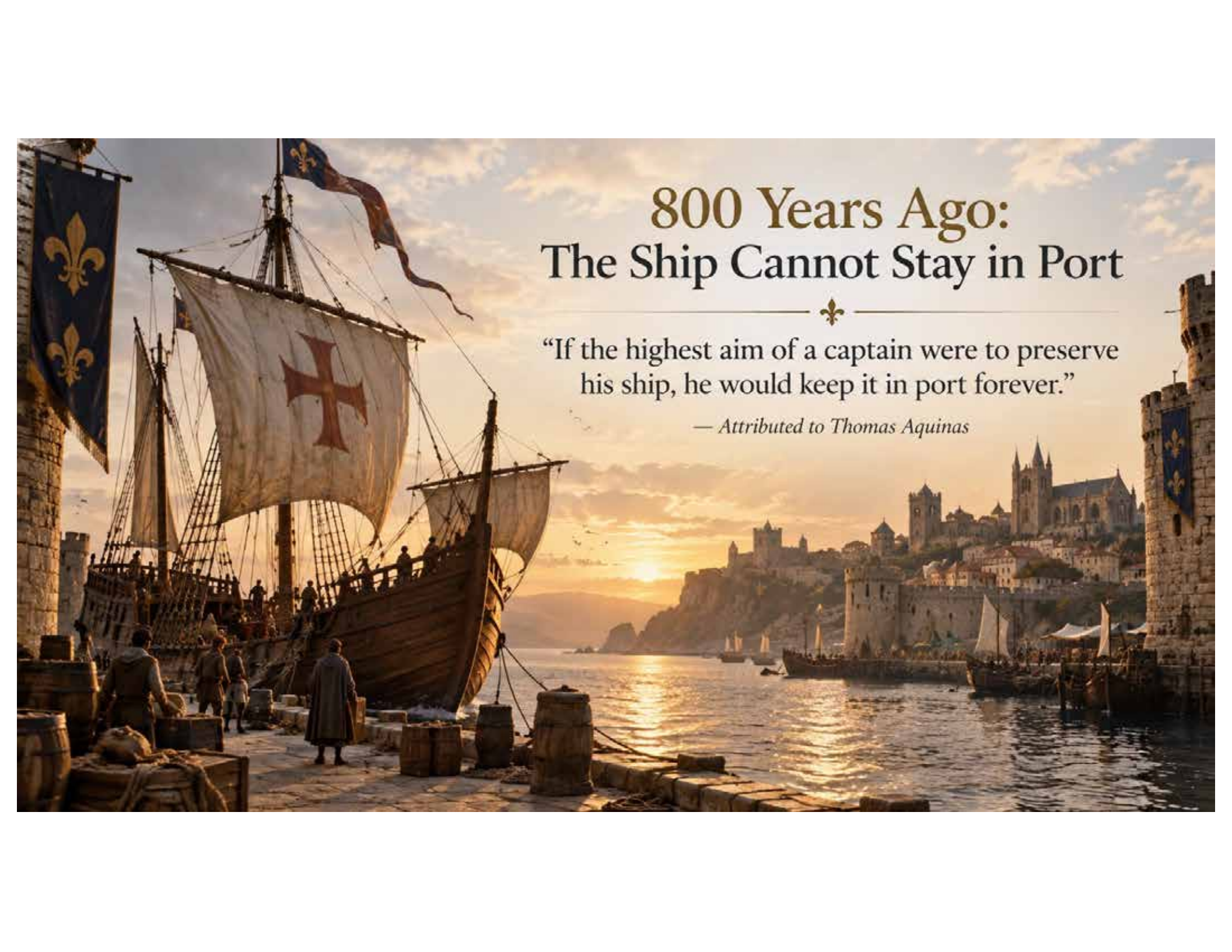


**RISK IS OUR
BUSINESS**
PODCAST



Risk management is navigation, not avoidance



A detailed illustration of a medieval harbor scene at sunset. In the foreground, a large wooden sailing ship with a white sail featuring a red cross is docked at a stone pier. Several figures are visible on the ship and the pier. To the left, a blue banner with a gold fleur-de-lis hangs from a stone wall. In the background, a fortified city with a large cathedral and other buildings sits on a hill overlooking the water. The sun is setting behind the city, casting a golden glow over the scene. The sky is filled with soft clouds, and the water reflects the sunset light. Other smaller ships are visible in the harbor.

800 Years Ago: The Ship Cannot Stay in Port

—  —
“If the highest aim of a captain were to preserve
his ship, he would keep it in port forever.”

— *Attributed to Thomas Aquinas*

PEOPLE / PERSPECTIVE / DISCIPLINE / A BRIGHTER TOMORROW

300 Years Into the Future: Risk Is Our Business

FURTHER
TOGETHER
—



PEOPLE // INSIGHT // ALIGNMENT // A BRIGHTER TOMORROW

FURTHER
TOGETHER

Every Enterprise Is a Starship of Risk

The organization is always in motion.

Every enterprise moves through uncertainty. The role of risk management is not to keep the ship in spacedock, but to keep the bridge, engines, sensors, shields, crew, and mission aligned.



BRIDGE
ALIGN



ENGINES
DRIVE



SENSORS
SEE



SHIELDS
PROTECT



CREW
EXECUTE



MISSION
DELIVER

PEOPLE
TURN UNCERTAINTY
INTO PROGRESS

SAME BOLDER
FURTHER

RISK ALIGNS
WHAT MATTERS

PEOPLE / INSIGHT / ALIGNMENT / A BRIGHTER TOMORROW

FURTHER
TOGETHER

The Prime Directive of Risk Management

Risk exists to inform decisions, set objectives, and reliably achieve objectives.

Use risk intelligence to make better decisions and reliably achieve objectives.



INTELLIGENCE
UNDERSTAND



DECISIONS
CHOOSE



OBJECTIVES
ALIGN



MISSION
ACHIEVE



28.5387° N
81.3792° W
0.0007 C

INSIGHT
TODAY
A BRIGHTER
TOMORROW

Risk Culture **vs.** Risk Appetite

They are related but not the same.



CULTURE
(FEELS HUMAN)

MINDSET

BEHAVIOR

ESCALATION

CHALLENGE

APPETITE
(SETS BOUNDARIES)

THRESHOLDS

TOLERANCE

LIMITS

MEASURES

INSIGHT
TODAY
A BRIGHTER
TOMORROW

The Risk Appetite Challenge

Organizations do not have an appetite for risk.
They have an appetite for **value**.



Risk appetite is
specific, not generic.

We make a decision, set an objective,
and establish **value appetite** and tolerance
around that objective.

Risk is the
effect of uncertainty on objectives.

DECISION
MAKE A CHOICE

OBJECTIVE
DEFINE THE OUTCOME

VALUE APPETITE
SET THE TARGET

TOLERANCE
DEFINE THE RANGE

BOUNDARIES
UNDERSTAND LIMITS

ACHIEVE
REALIZE THE OBJECTIVE

INSIGHT
TODAY
A BRIGHTER
TOMORROW

Risk and Resilience: Two Sides of the Same Mission

Risk sees uncertainty; resilience sustains capability.

NAVIGATE
PLAN THE COURSE

SENSE
SEE UNCERTAINTY

ASSESS
UNDERSTAND IMPACT

DECIDE
CHOOSE A RESPONSE

DISRUPTION
UNEXPECTED EVENTS

ADAPT
ADJUST AND RESPOND

RECOVER
RESTORE CAPABILITY

CONTINUE
MAINTAIN MOMENTUM

DELIVER
ACHIEVE
THE MISSION



RISK MANAGEMENT ASKS:
what could happen, what does
it mean, and what should we do?



RESILIENCE ASKS:
can we continue, adapt, recover,
and still deliver when disruption
happens?



Risk without resilience
becomes analysis
without capability.



Resilience without risk
becomes activity
without direction.

Together, they create **mission confidence.**

29.5387° N
81.3792° W
0.0007 G

INSIGHT
TODAY
A BRIGHTER
TOMORROW

Three Levels of Risk & Resilience

Strategic, objective, and operational risk & resilience work together across the mission.



28.5387° N
81.3792° W
0.0007 G

Strategic direction shapes objectives. Objectives coordinate operations.
Together they form one enterprise mission.

INSIGHT
TODAY
A BRIGHTER
TOMORROW

PEOPLE / PERSPECTIVE / DISCIPLINE / A BRIGHTER TOMORROW

Strategic Risk & Resilience

Direction, decisions, and setting objectives.

FURTHER
TOGETHER

A
CLEARER
TOMORROW
TOGETHER



ENVIRONMENTAL
SIGNALS
INFORM
STRATEGIC
CHOICES

A BROADER PERSPECTIVE
A STRONGER TOMORROW

INSIGHT
TODAY
A BRIGHTER
TOMORROW

PEOPLE
IDEAS
A SAFER
STRONGER
FUTURE

STRATEGIC DECISION FLOW



STRATEGIC
OUTPUTS

- Vision
- Priorities
- Risk Appetite
- Resource Allocation
- Mission Success

28.5387° N
81.3792° W
0.0007 G



Risk at this level:
the effect of uncertainty on
strategy, decisions, and objectives.



Resilience at this level:
the ability to adapt the course
without losing the mission.

SAME
PEOPLE
A BRIGHTER
TOMORROW

Objective Risk & Resilience

Every objective has its own appetite, tolerance, and boundaries.

DIFFERENT
SAFECTIVES
DIFFENGET
RISK APPETITES
A STRONGER
MISSION



GROWTH

Target
+15% revenue (3 yrs)
Appetite
Higher
Tolerance Range
-5% to +25%
Boundaries
Ethical, financial,
regulatory limits



TRUST

Target
> 90% stakeholder trust
Appetite
Low
Tolerance Range
-2% to +59%
Boundaries
Legal, ethical,
reputational limits

EVERY OBJECTIVE
IS ITS OWN MISSION.

DIFFERENT MISSION OBJECTIVES.
DIFFERENT RISK APPETITES.
A STRONGER TOMORROW.

OBJECTIVE RISK & RESILIENCE PROCESS



Make
Decision



Set
Objective



Define
Appetite



Set
Tolerance



Monitor
Performance



Adapt



Achieve
Objective



INNOVATION

Target
10 new solutions (3 yrs)
Appetite
Higher
Tolerance Range
-30% to +50%
Boundaries
Safety, compliance,
mission alignment



RESILIENCE

Target
> 99.5% mission uptime
Appetite
Low
Tolerance Range
-0.5% to +2%
Boundaries
Operational, cyber,
people, supply chain



Risk at this level:
the effect of uncertainty on each objective.



Resilience at this level:
the ability to continue, adapt, and recover
while pursuing objectives.

28.5387° N
81.3792° W
0.0007 G

INSIGHT
TODAY
A BRIGHTER
TOMORROW

OBJECTIVES TODAY A BRIGHTER TOMORROW

PEOPLE / PERSPECTIVE / DISCIPLINE / A BRIGHTER TOMORROW

FURTHER
TOGETHER

Operational Risk & Resilience

The capability of the enterprise to operate, absorb disruption, and recover.

BOLDER
SAFER
STRONGER
TOGETHER



OPERATIONAL
READINESS
MISSION CONTINUITY
PEOPLE SAFE
SERVICES ON

SAME PEOPLE
GREATER RESILIENCE
BRIGHTER
TOMORROWS

OPERATIONAL RESILIENCE SEQUENCE



28.5387° N
81.3792° W
0.0007 G

Risk at this level:
the effect of uncertainty on operations, services, and critical dependencies.

Resilience at this level:
the ability to sustain capability through disruption.

Operations keep the mission flying.

INSIGHT
TODAY
A BRIGHTER
TOMORROW

The Enterprise as a Closed Loop

Strategic, objective, and operational risk & resilience form one continuously adapting system.

BOLDER
SAFER
STRONGER
TOGETHER

28.5387° N
81.3792° W
0.0007 G



Risk & resilience are not three layers. They are **one continuously adapting system.**

A resilient Enterprise **senses, decides, acts, learns, and adapts.**

INSIGHT
TODAY
A BRIGHTER
TOMORROW

Homeostatic Risk & Resilience Management

The organization senses, understands, simulates, decides, acts, verifies, learns, and adapts.

Like a living organism, the enterprise continuously senses change, detects stress, adjusts, verifies outcomes, and maintains stability while moving forward.



This is not annual ERM. It is **continuous adaptation**.

Agentic AI: The System of Risk Intelligence

Sensors become intelligence.

Agentic AI continuously monitors internal and external signals, connects the dots, and tells leadership what matters, why it matters, and where decisions are needed.



SIGNALS

CONTEXT

RELATIONSHIPS

IMPACT

INTELLIGENCE

The value is not more data. It is **connected intelligence**.

28.5387° N
81.3792° W
0.0007 G

PEOPLE / PERSPECTIVE / DISCIPLINE / A BRIGHTER TOMORROW

FURTHER
TOGETHER

Digital Twins: The Risk Holodeck

Simulate the mission before reality tests the Enterprise.

Digital twins allow the enterprise to model scenarios, explore alternatives, and understand potential impacts before they become reality.

EXPLORE. TEST. PREPARE.

Cloud Region Failure

Supplier Collapse

Geopolitical Disruption

Regulatory Change

AI / Model Failure

Cyberattack

OBJECTIVES

PROCESSES

TECHNOLOGY

THIRD PARTIES

CONTROLS

FINANCIAL
CUSTOMER
REGULATORY

28.5387° N
81.3792° W
0.0007 G

DO NOT WAIT FOR REALITY TO RUN THE SIMULATION.

Agentic AI: The System of Risk Action

Intelligence must move the Enterprise.

A starship bridge does not stop at awareness. It acts. Agents can recommend, initiate, and execute actions, within governed boundaries, to keep the mission on track.

Agentic does not mean unaccountable.



From insight to action. From risk to mission confidence.

28.5387° N
81.3792° W
0.0007 G

The Homeostatic Enterprise

Risk and resilience become a continuous learning system.

The Enterprise senses its environment, understands what matters, simulates possible futures, decides and acts. Continuous assurance verifies impact. The organization learns and adapts. Then the cycle begins again.



28.5387° N
81.3792° W
0.0007 G

This is not annual ERM. It is a continuously sensing, continuously learning, continuously adapting Enterprise.

PEOPLE / PERSPECTIVE / DISCIPLINE / A BRIGHTER TOMORROW

FURTHER
TOGETHER

Mission Confidence

The goal is not risk avoidance. The goal is to pursue objectives with intelligence, resilience, and purpose.

Risk management is not about preserving the ship in port. It is about charting the course, understanding uncertainty, building resilience, making decisions, and boldly achieving objectives.

HIGHER
SAFER
STRONGER
TOGETHER



28.5387° N
81.3792° W
0.0007 G

FROM RISK TO RESILIENCE. FROM INTELLIGENCE TO ACTION. TOWARD **MISSION CONFIDENCE**.

Thank You!



www.GRC2020.com
www.GRCreport.com
mkras@grc2020.com
www.linkedin.com/in/mkrasmussen/

