

Study Questions–Gates–“Incorporating Strategic Risk into Enterprise Risk Management: A Survey of Current Corporate Practice”

1. What risk classification does Gates adopt? How does it compare with Meulbroek’s taxonomy?
2. According to Gates, what kinds of risk cause large losses and what kinds of risk tend to receive the most management focus?
3. According to Gates, what percentage of sampled firms are engaged with ERM?
4. Should firms “manage away” strategic risk? What are the factors influencing the decision to manage away this kind of risk?
5. What forces propel the initiation of ERM? What provides the persistent benefits of ERM?
6. Drawing on the report by PriceWaterhouseCoopers, what are the main payoffs from a well-implemented ERM program?
7. How might an ERM program affect a firm’s bond rating?
8. What are the five key elements of an ERM program?
9. According to the inferences that Gates draws from his survey, what is the status of implementing ERM? Is it a work in progress, or is it a system that is fully developed and regularly deployed by leading firms?
10. What are the three main benefits of a fully-developed ERM program?
11. Who are potential “owners” of the ERM process? What are the problems with some of them?