Emerging Issues/ERM Agenda
March 15, 10:00-11:30am

What is ERM?

- Integrated and holistic view of the risks facing the institution
- Examines what could happen that would prevent institutions from accomplishing their mission and what opportunities exist for achieving or even exceeding goals
- Designed to identify potential events that, if they occur, will affect the institution and to manage those risks
- Similar to SWOT, but with an added focus on deciding how to respond
- Ongoing
- Effected by people at every level of the organization
- Applied in strategy setting
- Started in the business world, educational institutions have been slower to adapt

Steps involved in ERM:

1. Identify the ERM strategies and objectives – can be implemented at the institution level, or at the dept/college/other levels.
2. Identify the significant risks that might threaten achievement of the strategies and objectives.
3. Assess the risks for the dollar impact and the likelihood that they will occur. Identify each risk as:
    a. Red zone – potentially significant impact and highly likely to occur
    b. Green zone – low impact and low likelihood
    c. Yellow zone – everything else
4. Decide what actions to take for each risk:
    a. Avoid
    b. Reduce
    c. Share
    d. Accept
5. Communicate the risks and monitor them. Periodically re-evaluate.

Scope of ERM:
Five main types of risk:
1. *Strategic risks*: meeting organizational goal and objectives
2. *Operational risks*: executing strategic objectives and managing institutional operations
3. *Reputational risks*: public image, especially employee, academic and research integrity
4. *Compliance risks*: laws and regulations
5. *Financial risks*: safeguarding assets

ERM at Stout:

ERM is part of our annual retreat process – being discussed as part of emerging issues.   We developed an initial list of risks in preparation for our 2009 retreat.

This year we will review the list and make updates:

1. Large group discussion of additions to make to the list. Make additions on the computer screen.
2. Large group discussion on the impact level and likelihood of risks.
3. Individually identify risks from list that are high impact and high likelihood (on comment form).

Risk	Impact level High/low	Likelihood of occurring High/low
Layoffs/Furloughs		
IT security and privacy		
Web design		
Enrollment targets – declining numbers of high school graduates		
Financial aid strategy		
Endowment losses		
Campus Safety		
Energy purchasing/use		
Pandemic		
Environmental		
Safety, comfort, cleanliness in residence halls		
Administrative and faculty retention, turnover and succession planning		
Reputation		
Student retention		
Labs, equipment, information resources – keeping up to date with rapid changes		
Declining financial support from the state		
Faculty and staff workload		
Substantial increase in debt level per student		
Competition for students with other institutions		
Dealing with poorly prepared students		
Age of facilities		
Costs associated with being sustainable		
Other:		
Other:		
Other:		
Other:		
Other:		
Other:		