



# MANAGING RISKS TO STAY IN BUSINESS

---

Terence Singh

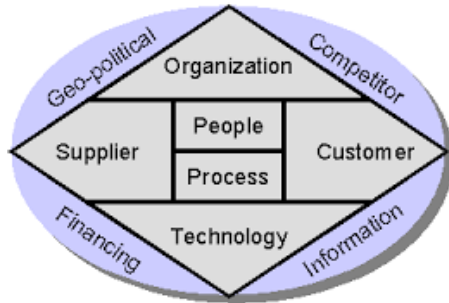
# WE HAVE GOOD RISK FRAMEWORKS TO MANAGE AND MONITOR RISKS...



COSO Enterprise Risk Management (ERM) Cube



Enterprise Risk Framework



Enterprise Risk Management



*...only if we know what the risks are*

# IT'S GETTING HARDER TO IDENTIFY RISKS

These companies felt safe about their business:

**Hotels - since they had buildings**

**Taxi companies – since they had cars**

**Retailers – since they had shops**

**Media companies – since they had assets**



**UBER**



**facebook**

## RISKS ARE COMING FROM EVERYWHERE

---

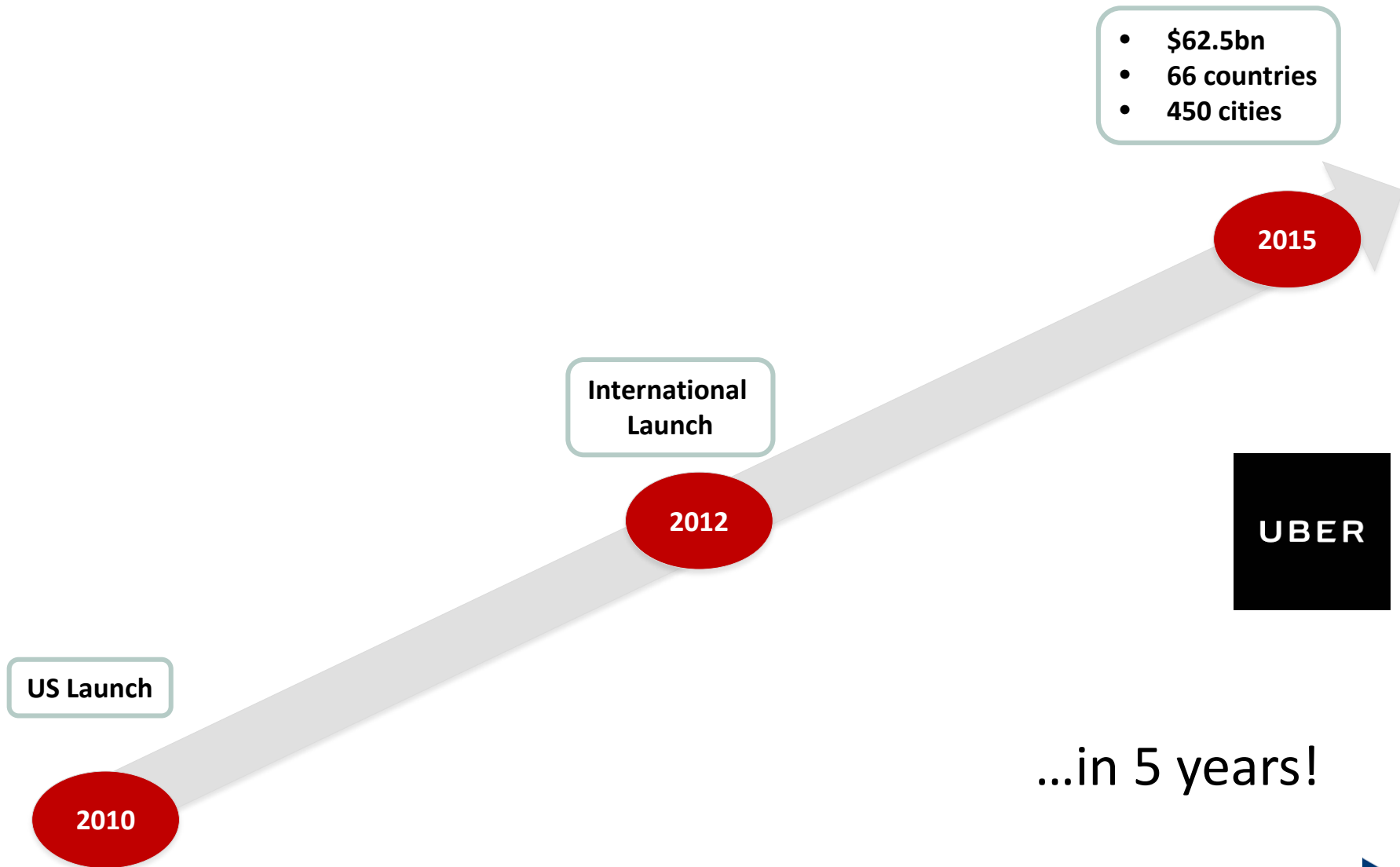


“Silicon Valley is coming ....and they all want to eat our lunch”, Jamie Dimon, CEO

***Over 12 000 fintech startups in 2015 with \$19.1bn investment***

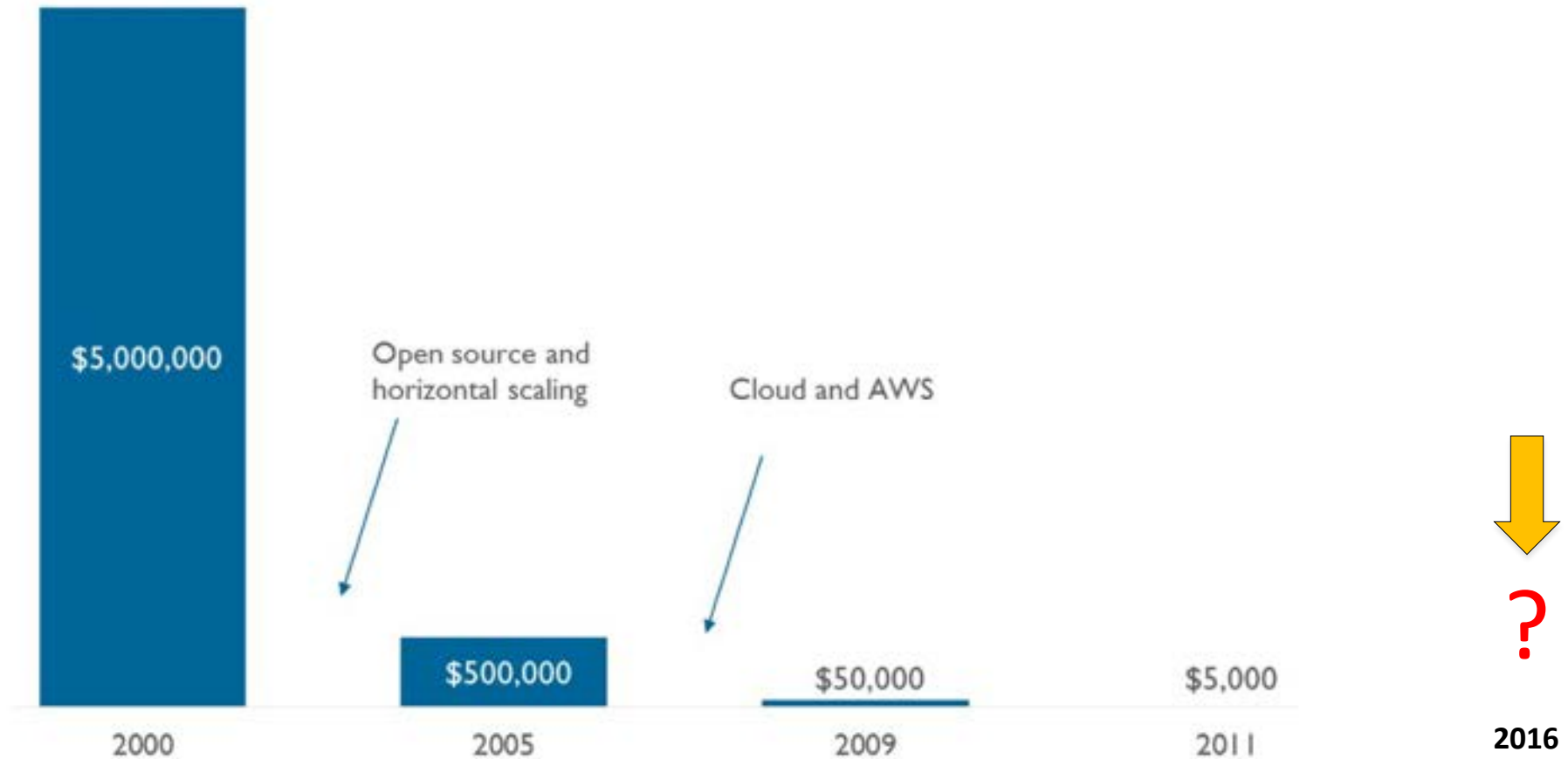
***How can we possibly keep track of this?***

# AND THEY ARE SCALING MUCH FASTER THAN BEFORE



...in 5 years!

# AND IT'S GETTING CHEAPER TO START UP



# WE DON'T EVEN KNOW WHO WILL WIN

Who remembers these failures?



But we all know these guys



# ESTABLISHED COMPANIES ARE NOW BECOMING MORE VULNERABLE

---

In 1960, the average time the biggest companies were in the index was:

60  
years

By 2015, this had dropped to

15  
years



Breathe

# WE ERR ON TWO FRONTS WHEN IT COMES TO KEY RISKS

---



We did not identify the risk



We underestimated its impact

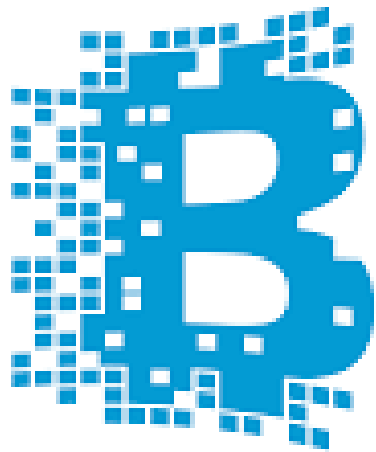
## HOW TO IDENTIFY RISKS

---

The most unexpected risks usually comes from competitors you don't know, from industries you don't know

Trend analysis is a strong starting point to identify risks beyond your span of vision





# BLOCKCHAIN



A.I.

Artificial Intelligence



# HOW TO DETERMINE ITS IMPACT

The person who is closest to it, is not always the best person to determine its impact

*An external voice is needed*

“Futurist”



Learning From FAILURE





WE ALSO IGNORE THE RISKS THAT WE TAKE FOR GRANTED...

---

10 years ago, no one had electricity as a risk

5 years ago, no one had water as a risk

1 year ago, no one had banking services as a risk

# WHO IS FEELING SAFE ABOUT THEIR BUSINESS?

**Banks – they have trust**



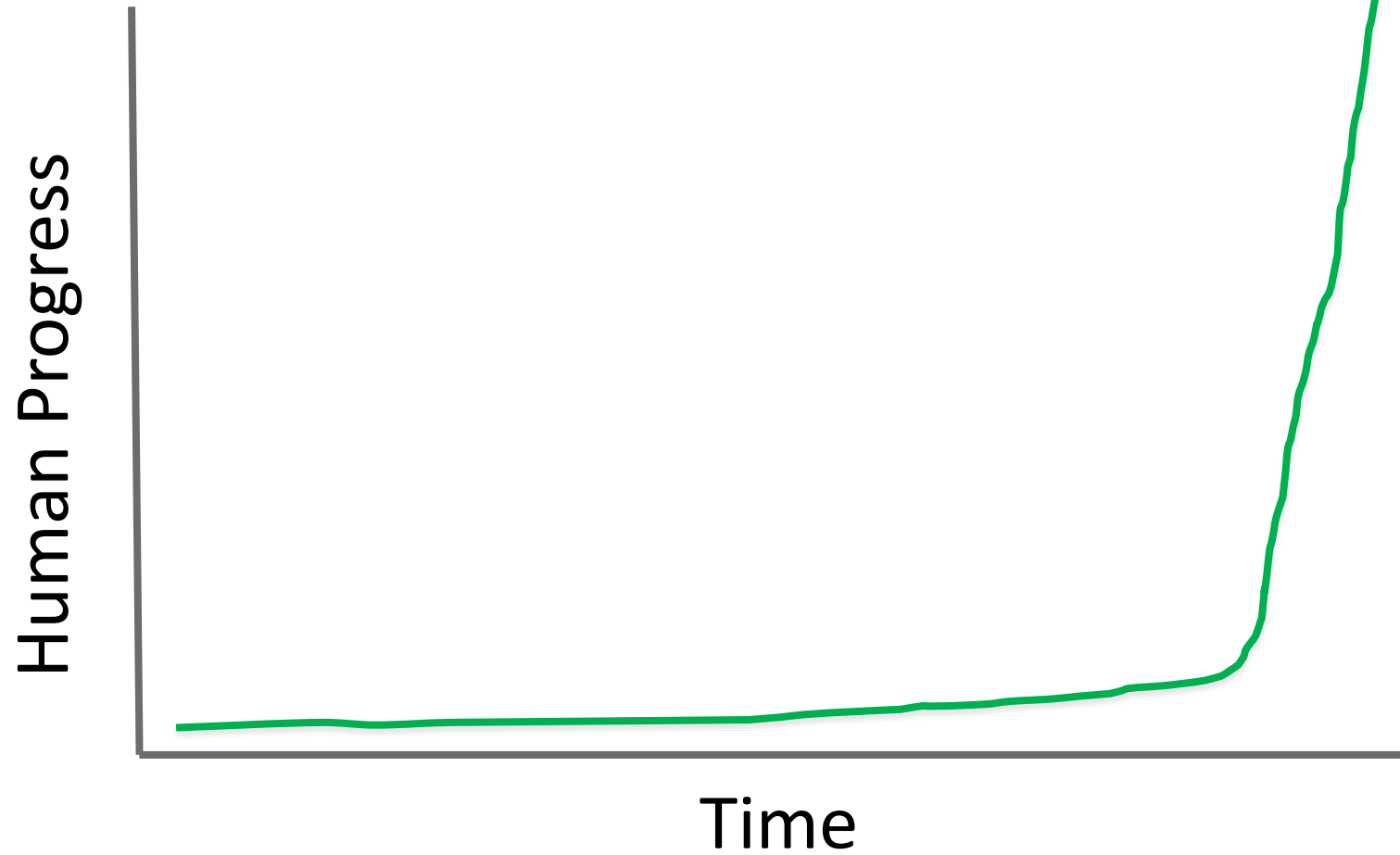
**Manufacturers – they can make stuff**



**Medical professionals – they have expertise**



# THE FUTURE IS CLOSER THAN YOU THINK – ANTICIPATE THE RISKS



## CONTACT DETAILS

---

[terence.singh@ruhi.co.za](mailto:terence.singh@ruhi.co.za)

[www.ruhi.co.za](http://www.ruhi.co.za)