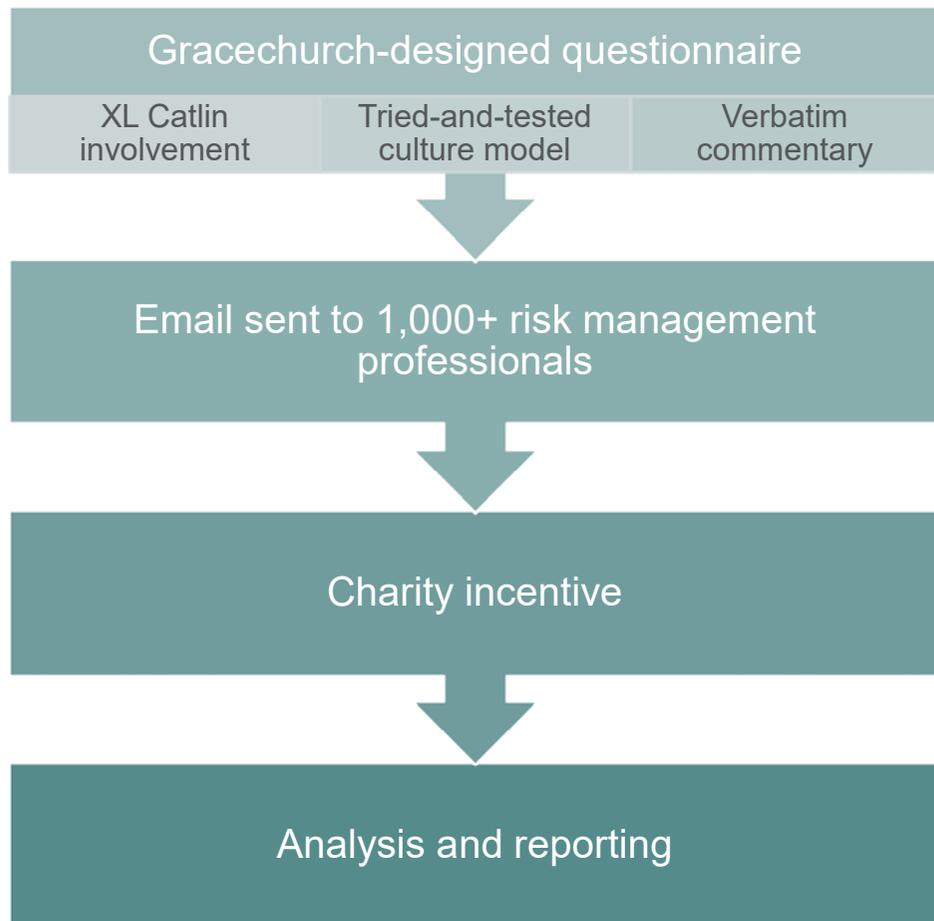


# Future-proofing your risk culture

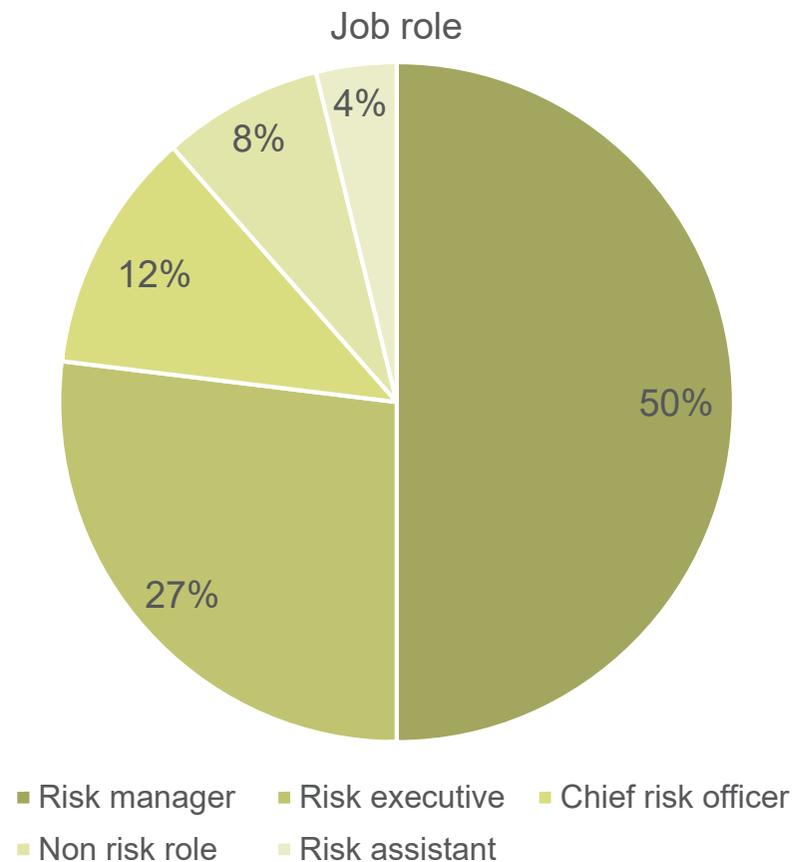


# Researching the culture of innovation amongst UK Risk Managers

## The process



## Who did we speak to?

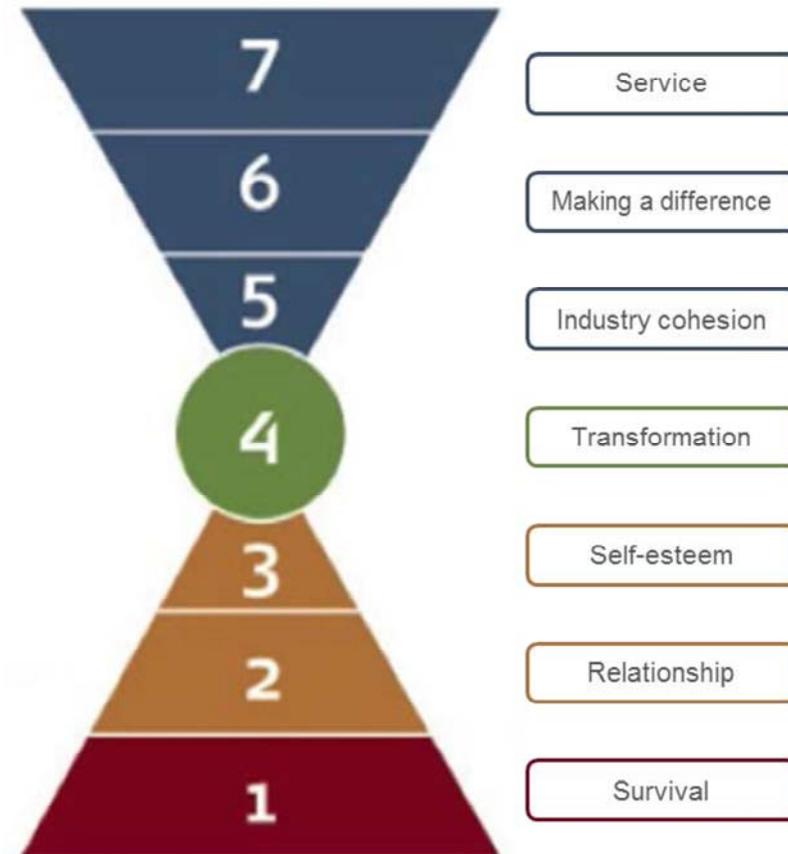


# The Barrett Model: Translating needs into values, behaviour, and culture

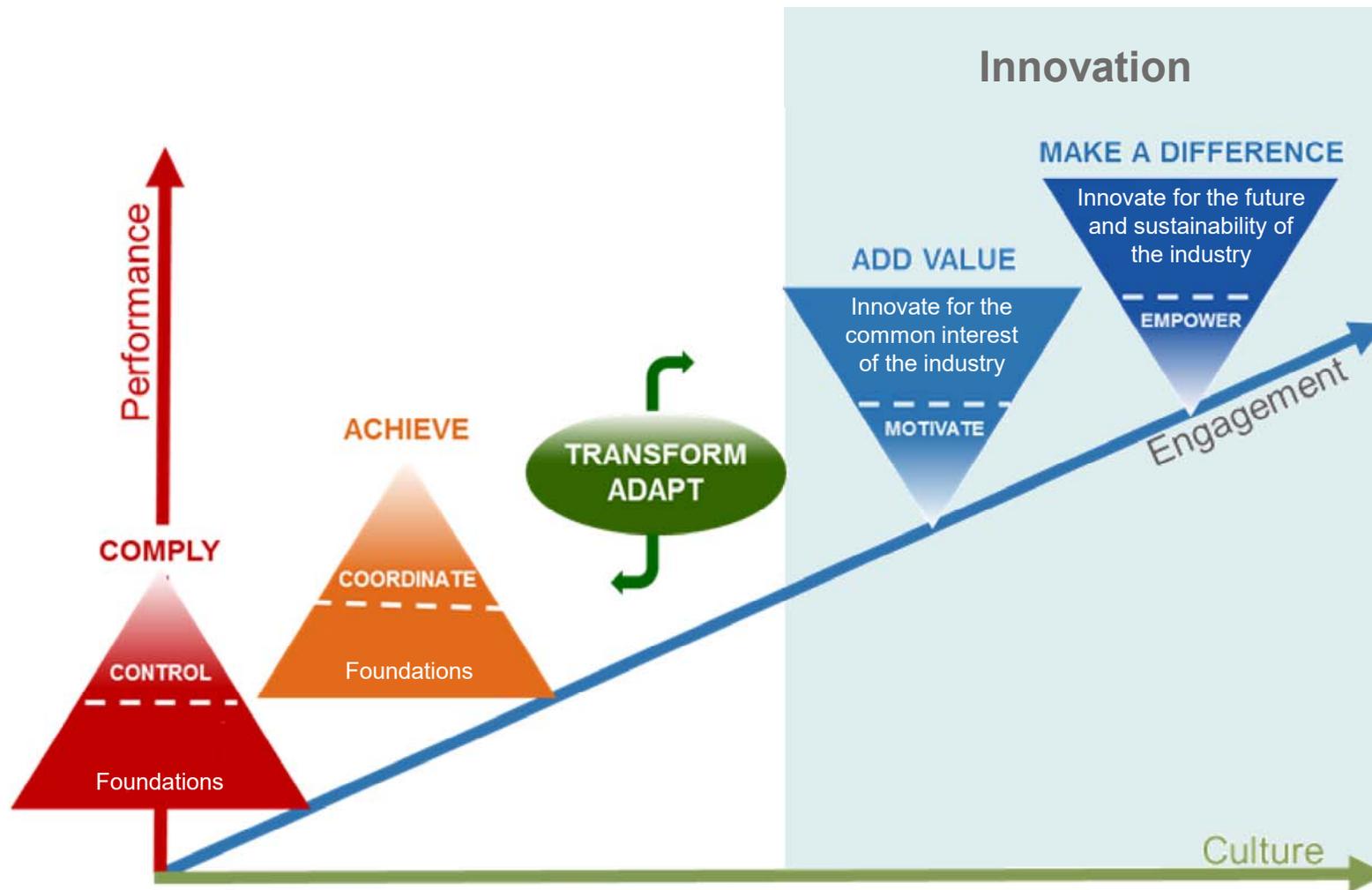
## Maslow's Hierarchy of Needs



## Barrett's Seven Levels Model



# Where does innovation fit into culture?



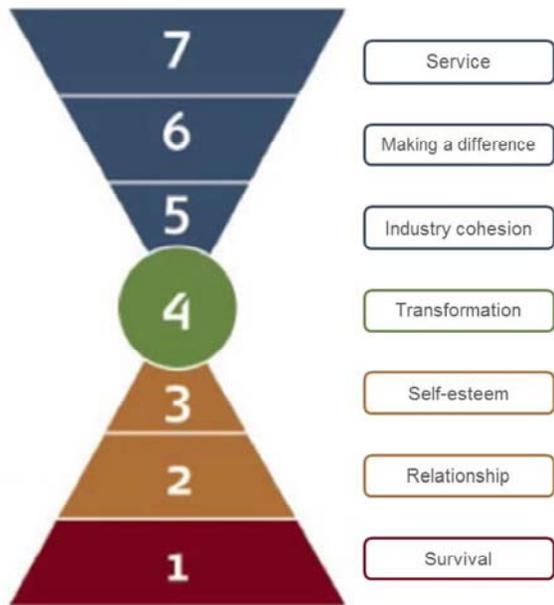
# Why innovation is vital, according to UK Risk Managers

*“The business world is ever-evolving and with that requires new and fresher ideas and approaches to make sure you are keeping ahead of the curve. Part of this is making sure the insurance policies purchased are as broad as possible to cover the organisation. One of the biggest examples is the threat of cyber risks to all organisations as more and more reliance is on electronic data. So as the risks changes, so must the products available in the insurance market.”*  
**(Risk Manager, Financial services)**

*“The rapidity of change and the need to anticipate it and adapt to it - changes in technology and how it is used, changes in Global markets, the ease with which new entrants can enter into markets that they have never operated in before (thanks to technology lowering the barriers to entry), changes in the Global reach of some countries’ legislation. **Old approaches cannot meet the flexibility required to cope with such rapid and ever-evolving developments.**”* **(Risk Manager, Healthcare)**



# The people at the heart of the culture



## Personal values: UK Risk Managers

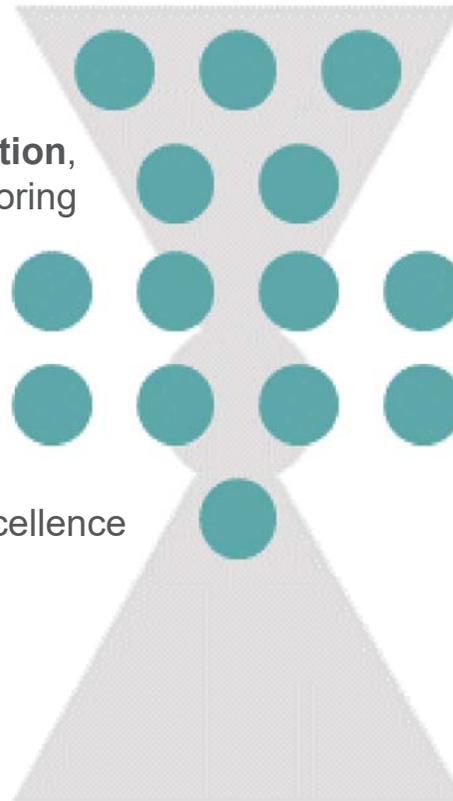


# What do UK Risk Managers think an innovative culture looks like?

## Desired culture: UK Risk Management

Long-term perspective, Ethics,  
Global leadership

Cross-group collaboration,  
Coaching / mentoring



Shared vision, **Creativity**, Integrity, **Shared values**

**Innovation, Adaptability,**  
**Continuous improvement,**  
Accountability



# What are the barriers to achieving a culture of innovation?

*“Great intellect, commitment and a deep understanding of subject matter make the workforce ready to further develop innovation - unfortunately people can become encumbered by the size, complexity and rigidity of their own organisations.”* (Senior Risk Manager, Financial services)

*“Culture change within an organization. Because culture is set by the Board and is cascaded down through the organization, the Board has to value risk management, see its role and value, and have a credible strategy on how risk management is to operate within the organization. Without this, risk management cannot flourish as a practice within the organization and, if it cannot flourish then it will not be empowered to be innovative.”* (Risk Manager, Healthcare)

*“The biggest barrier is the old fashioned, non-holistic approach. Along with certain aspects of the insurance industry, there is not enough of the younger generation in the industry being able to implement ideas and processes which could greatly assist sending the message to the company, it's board of directors and those focusing on company growth areas to ensure the Enterprise Risk Management approach is utilised to its fullest.”* (Risk Manager, Financial services)

*“People get fixated on the process - risk registers, risk reporting etc. - and lose sight of what it's actually all about. This means people lose interest and it's seen as yet more form-filling. I think we need to be more creative in how we talk about risk and communicate with the rest of the business.”* (Risk Manager, Transport)

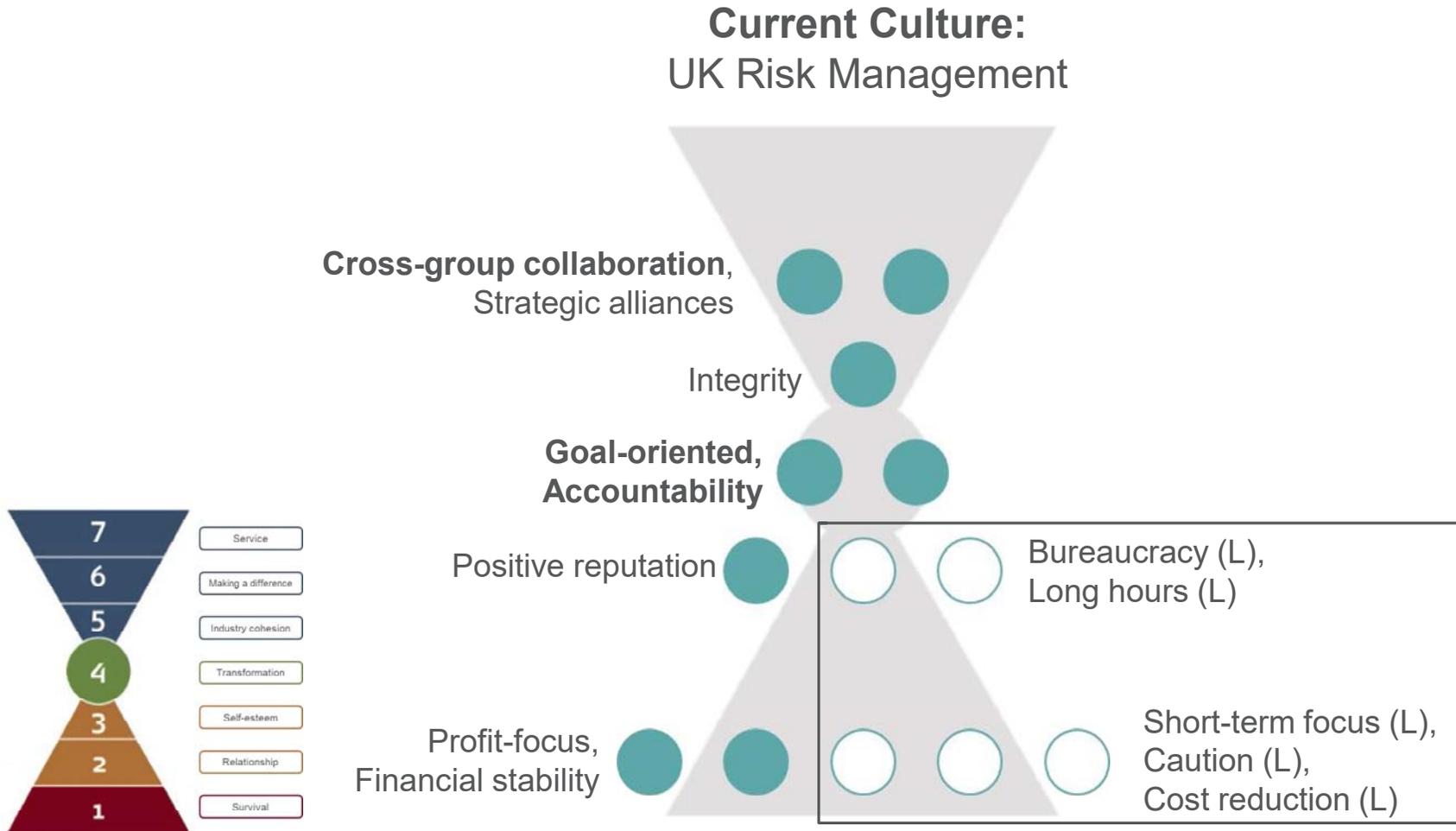


# What are the positive forces for innovation in the current culture?

## Current Culture: UK Risk Management

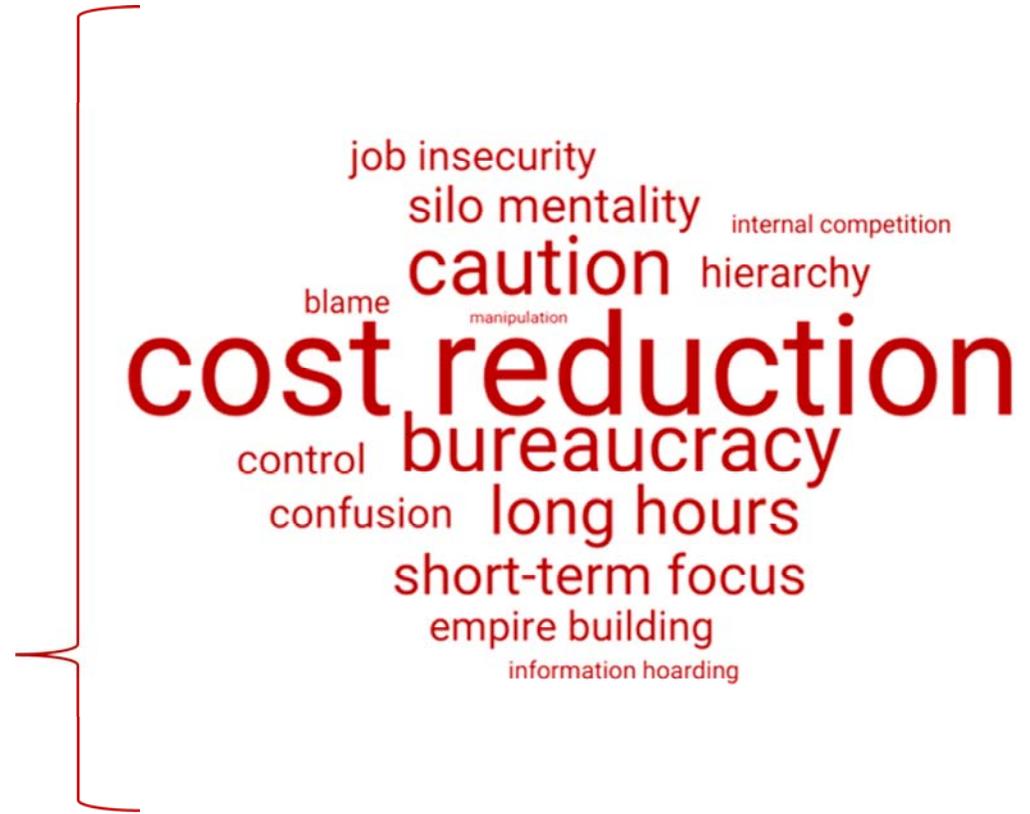
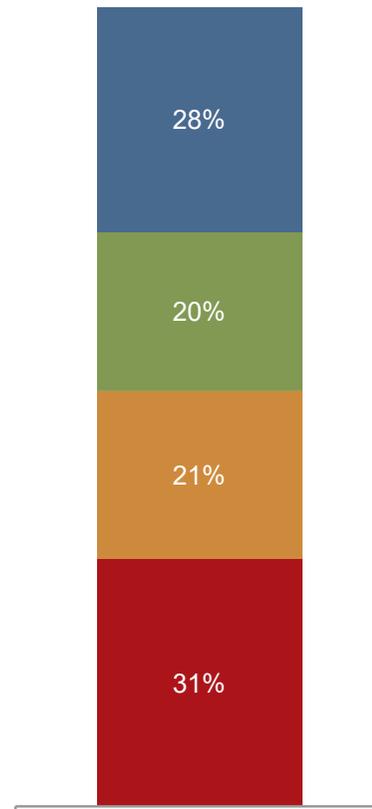
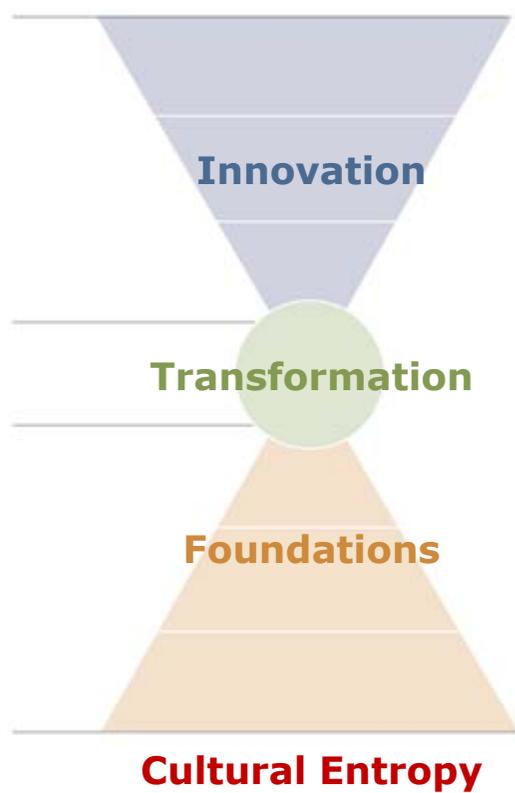


...and what are the potentially limiting factors?



# What is the potential scale of those limiting factors on culture?

## Current Values: UK Risk Management



GRACECHURCH  
Advisory

Workshop exercises



# Forcefield scoring

Please score each force between 1 and 5

| Forces for innovation (+)   |  | Forces against innovation (-)                              |  |
|---|--|--|--|
| Talent: <i>RM function</i>  |  | Board: <i>lack of commitment to RM</i>                     |  |
| Integrity: <i>RM function credibility</i>   |  | Culture: <i>old fashioned / risk averse</i>                |  |
| Desire: <i>to change / embrace innovation</i>   |  | Short-termism: <i>lacking long-term strategic view</i>     |  |
| Regulation: <i>creating focus on risk issues</i>  |  | Bureaucracy: <i>slow, indecisive</i>                       |  |
| RM industry infrastructure: <i>professional bodies, publicity, education, training, knowledge sharing</i> |  | Lack of understanding: <i>of RM function and potential</i> |  |
| Technology: <i>potential, forcing change, competition</i>   |  | Technology: <i>legacy systems, lack of investment</i>      |  |
|   |  |  |  |



GRACECHURCH  
Advisory



Thank you!



GRACECHURCH