

# Archer<sup>®</sup> Operational Risk Management

## Use Case for Enterprise & Operational Risk Management

### The Challenge

Effective management of errors and fraud associated with people, processes, and technology is inherently complex. As organizations grow, the complexity, frequency, and impact of errors and fraud increase. It is very difficult for businesses to manage operational risk due to its complexity and the speed at which it can develop. Managing operational risk requires an organization to tie together all the necessary pieces that provide an understanding of the business context of the risk. For risk managers, this undertaking can overwhelm available resources and tax the limits of their knowledge and understanding of the inner workings of the organization's business activities. Risk management teams can counter this by better engaging business managers, the first line of defense, in risk management. The first line of defense is best able to identify and manage the risks and controls within their domain of responsibility.

Without engaging the first line of defense in identifying risk, and using consistent methodologies and measurements to assess risk, there is no way to provide executive management and the Board with an accurate and aggregated view of risk across the business so that it can be managed within the organization's risk appetite.

### Overview

Archer<sup>®</sup> Operational Risk Management is a combination of use cases that are core to a typical operational risk management program, including: Top-Down Risk Assessment, Bottom-Up Risk Assessment, Loss Event Management, Key Indicator Management, Risk Catalog, and Issues Management. By integrating these use cases, Archer helps risk managers implement a comprehensive operational risk management program that provides transparency through reporting, dashboards, and notification alerts. It also reinforces desired accountability and risk management culture throughout the organization.

Archer Operational Risk Management enables you to catalog business processes and sub-processes, document risks associated with business processes, and mitigate controls. Risk assessments can be performed on a top-down basis through first line of defense self-assessments and through targeted bottom-up assessments. Loss events can be cataloged, and root-cause analysis can be performed and routed for review and approval. Key risk and control indicators can be established and associated with risk and control registers, respectively, and monitored to provide early warning of changes in the organization's risk profile.

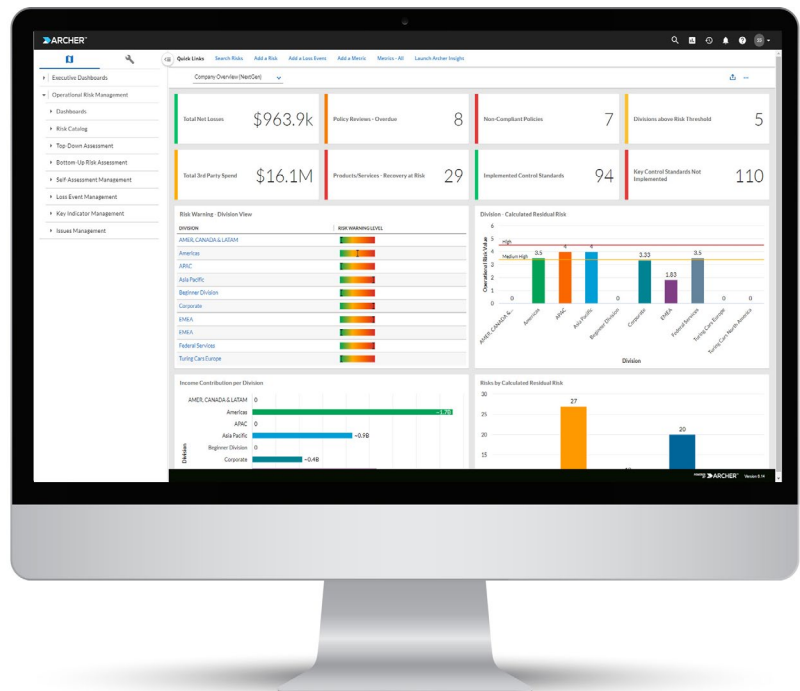
## Features

- Consolidated view into business processes, risks, controls, loss events, key indicators, and outstanding issues and how they are all related.
- Support for first line of defense self-assessments and top down and bottom up risk assessments.
- Efficient management of self assessment campaigns by second line of defense stakeholders, including necessary workflow to vet and challenge first line of defense assessments.
- Capture and perform root cause analysis on internal losses and near misses, and relevant external loss events.
- Understand inherent and residual risk and observe changes in calculated residual risk while rolling up risks by business unit and enterprise risk statement.
- Robust key risk and control indicator program management to provide early warning and remediation.
- Consolidated issues management with a clear understanding at all times of the status of all open remediation plans and exceptions.
- Visibility into operational risk via predefined reports, risk dashboards, workflow, and notifications.

## Benefits

With Archer Operational Risk Management, you can:

- Gain a better understanding of risks throughout the organization.
- Improve risk management and risk culture by engaging business users to take ownership of their risks and controls.
- Quickly detect and manage changes in risk profile.
- Spend more time on analysis and less time on administration and reporting.
- Reduce time required to identify and resolve operational risk related problems.
- Reduce audit findings, surprises, loss events, and incidents.
- Demonstrate design and effectiveness of risk management program.



## About Archer

Archer is a leading provider of integrated risk management (IRM) solutions that enable customers to improve strategic decision-making and operational resilience with a modern technology platform that supports qualitative and quantitative analysis driven by both business and IT impacts. As true pioneers in GRC software, Archer remains solely dedicated to helping customers manage risk and compliance domains, from traditional operational risk to emerging issues such as ESG. With over 20 years in the risk management industry, the Archer customer base represents one of the largest pure risk management communities globally, with more than 1,200 customers including more than 50% of the Fortune 500.

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