
At the Intersection

An investigation into the integration and alignment of the Balanced Scorecard with operational risk management frameworks to enhance strategic execution in the UK Financial services industry.



Case study

Risk-based performance at an investment bank

□ Business challenge

- develop the appropriate culture and implement supporting systems to respond to Basel 2, Sarbanes-Oxley and manage rapid business growth (organic and via M&A activities)
- overcome issues related to a failed Balanced Scorecard implementation and a metric only focus.

□ Initial response

- COSO based framework
- external consultancy lead & driven implementation
- quickly found that a 'out of the box' framework didn't met the requirement of all the stakeholders, didn't provide management information clarify or add value to the business

Risk-based performance at an investment bank (2)

□ Why Risk-based performance?

- provided a conceptual sound approach with the flexibility to meet specific organisational needs
- meets the needs of multiple stakeholders (regulators, management, shareholders etc)
- globally scalable with increased information clarity

Risk-based performance at an investment bank (3)

□ Progress & benefits

- identification of key risks within the context of the strategy
- consistent set of KPI's, KRI's and KCI's deployed globally
- conceptual sound approach in place to met regulatory needs
- significantly organisational learning

"finally, I have management information I can make decisions on"
Global Head of IT

Further information

Please visit <http://www.riskbasedperformance.com/> for further information related to this study and the Risk-based performance approach to the integration and alignment of corporate performance management and operational risk management.

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