



BUSINESS FINANCE 7291

Enterprise Risk Management (ERM) 2

Instructor: Steve Lindo
Date/Time: Mondays and Wednesdays, 4.30-6pm
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Course Description

Business Finance 7291 (ERM 2), builds upon the Enterprise Risk Management framework introduced in BUSFIN 7290. However, this is a practitioner/experiential oriented course.

In addition to practice-based weekly ERM instruction and readings, the course features a roster of experienced industry speakers, who present the lessons they have learned in meeting risk management challenges in their current roles and industries and throughout their careers.

Team Project

The centerpiece of the course is a collection of challenging projects commissioned by established companies to enhance their enterprise risk management. Students will work in small teams under the guidance of a project manager from a real-world client company, to perform a formal consulting engagement.

Working with their chosen client, the student teams will sharpen the definition of the project, agree with the client on deliverables, develop the project plan and execute their project plan to meet or exceed all customer expectations.

During the project, the student teams will apply appropriate enterprise risk management, financial, and statistical tools to develop specific and effective recommendations and solutions.

At the conclusion of the project, each student team will prepare a written consulting report summarizing their major findings and their key recommendations. Each team will make an in-person presentation of findings and recommendations to their client firm's management group.

Background

Risk management is a growing discipline across all industries, as companies face more, and more varied, challenges around the globe. Volatility in the current economic, political and technological environment has made businesses more vulnerable to earnings volatility, business interruption, unexpected disasters and mis-guided strategies. Organizations of all kinds are placing greater emphasis on preparing for and managing risk, creating demand for risk managers across a wide range of industry sectors. In light of these multiple uncertainties, many organizations are taking a proactive and holistic approach to risk, seeking to anticipate and respond as quickly as possible to a wide range

of challenges, from global financial crises to natural disasters to pandemics. This approach, known as enterprise risk management, requires creative, strategic thinking, combined with operational rigor. In spite of this increasing emphasis on ERM, large scale breakdowns in risk management continue to plague industries and companies, indicating that the practice of ERM is much easier to design than it is to implement and sustain. In recognition of these failures, risk management has become one of the top priorities of boards, investors, regulators and rating agencies. Risk management policies and their supporting infrastructure play an increasingly integral role in a firm's ability to remain competitive and create value.

The challenge is to develop leaders and managers who have the conceptual understanding, analytic ability, command of tools and discipline to make high quality decisions in the face of uncertainty and risk. This course is a step in building these competencies.

Course Material

Practice-based and timely articles that illustrate and add depth to the live instruction topics are assigned weekly. Students will be expected to comment on their content both in class and in the course's online discussion forum.

Course Requirements and Grading

The course requirements include the following components:

Component	Points
Risk Management Project	180
Participation	20
TOTAL	200

Risk Management Project

The project grade will be determined by the quality of work on the project execution, value of the actual outcomes, as well as contributions to the project efforts. Thus, multiple dimensions will be assessed to determine the project grade on the course. These will include:

- Clarity of project definition
- Quality of the project plan
- Execution of the project plan
- Appropriateness of tool set used to address the problem
- Professionalism of the consulting team and individual members
- Client feedback on project quality
- Satisfaction of the client throughout the process
- Timeliness, accuracy, and thoroughness of all communications
- Quality of the final written project report
- Quality of the final presentation

Class Participation

Students are expected to **attend class** and to **arrive on time**. To a significant extent, the value you get from the course depends on your presence in class, and your classmates' opportunities to learn from your insights depend on your presence in class.

You will also be asked to contribute to a weekly discussion thread that illustrates a topic covered in the live instruction and/or by the guest speaker.

To encourage preparation and facilitate class discussion, the instructor and guest speakers will call on students in class to share their insights. Students will be evaluated not by what they know but by what they **contribute**. Students are never penalized for making comments, which do not appear to be the “right answer.” It is only through consideration of many diverse opinions and viewpoints that we will move toward a greater shared understanding of the multidimensional material that this course entails.

You can increase that grade by contributing to class in a positive manner (e.g., asking and answering questions). You can decrease that grade by detracting from class. Arriving late for class or leaving in the middle of class disrupts other students; this behavior therefore will lower your participation grade. Consistently missing class also will lower your participation grade. Cellphones must be turned off in class and texting is strictly prohibited. Failure to comply will lower your participation grade.

Course Objectives

Key objectives of BUSFIN 7291 are :

1. Develop a deeper understanding of enterprise risk management framework and its major tools.
2. Apply ERM risk tools and methodology to analyze real world cases and risk situations.
3. Apply concepts and techniques from finance, probability and statistics to measure risks, such as risk modeling, risk mitigation, risk-adjusted return on capital, and capital allocation to optimize firm value. Deepen understanding of the assumptions, and limitations, germane to each method.
4. Build competence in scanning the external and internal environment to identify both current and emerging risks.
5. Build greater understanding and insight into the importance of an organization’s culture in effective managing of its risks.
6. Gain valuable experience in project management. Build appreciation of what it means to be fully accountable for project outcomes.
7. Learn to measure personal and team contributions on the basis of client expectations.
8. Gain experience in writing a compelling and persuasive business report.
9. Build skill in making professional presentation to a high-level client audience.

Extra Credit/Grade Change Policy

Extra credit will not be offered unless it is available to the entire class. For example, if a student wishes to improve his or her grade at the end of the course, extra credit will not be available for this purpose, as it unfairly penalizes students who have consistently worked hard throughout the course.

Office Hours

Professor Lindo will conduct weekly office hours via Webex. He is also available to meet with students via Webex on an individual basis by appointment. Please email to arrange an appointment.

Course Website

A course website is on Carmen (using the University’s new Canvas system). The URL is <https://carmen.osu.edu>. The website will be used to post course slides, any readings for guest speakers, and any announcement. Please check the website on a daily basis.

Academic Integrity

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's *Code of Student Conduct*, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's *Code of Student Conduct* and this syllabus may constitute "Academic Misconduct."

The Ohio State University's *Code of Student Conduct* (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's *Code of Student Conduct* is never considered an "excuse" for academic misconduct, so students please review the *Code of Student Conduct* and, specifically, the sections dealing with academic misconduct. (Students can find the full Code at http://studentlife.osu.edu/pdfs/csc_12-31-07.pdf)

If the Professor suspects that a student has committed academic misconduct in this course, they are obligated by University Rules to report their suspicions to the Committee on Academic Misconduct.

Disability Services

The Student Life Disability Services (SLDS) (www.ods.ohio-state.edu) verifies students with specific disabilities and develops strategies to meet their needs. Students requiring accommodations based on identified disabilities should contact the instructor at the beginning of the term to discuss their particular needs. Students with a specific disability are encouraged to contact SLDS to explore potential accommodations available to them.

Course Schedule

Due to unplanned work commitments which may affect the availability of the industry speakers who have generously agreed to share their expertise with you, mid-course scheduling changes may occur.

Class Date / Location	Activities – Topics – Requirements
February 27 Webex	Course Overview - Steve Lindo ERM in Real-Life Business Situations - 1 - Steve Lindo <i>No pre-reading</i>
March 4 Gerlach 265	Introduction to Capstone Projects - Client Project Managers Students submit their project preferences <i>Pre-Reading: Selected practice-based / topic-related articles</i>
March 6 Gerlach 265	Cybercrime detection and prevention Todd Warner , Columbus FBI Cyber Crime Investigation Unit <i>Pre-Reading: Selected practice-based / topic-related articles</i>
March 11/13	SPRING BREAK – NO CLASS

March 18 Gerlach 265	ERM in Real-Life Business Situations - 2 - Steve Lindo <i>Pre-Reading: Selected practice-based / topic-related articles</i>
March 20 Gerlach 265	Cyber risk management Jeff Schmidt , Vice President, Chief Cyber Security Innovator, Columbus Collaboratory <i>Pre-Reading: Selected practice-based / topic-related articles</i>
March 25 Webex	Capstone Project Progress Review Review Progress on Projects, Update Client Company & Perform Work on Projects <i>Pre-Reading: Selected practice-based / topic-related articles</i>
March 27 Webex	[Tbd] Guest speaker , Tbd <i>Pre-Reading: Selected practice-based / topic-related articles</i>
April 1 Webex	ERM in Real-Life Business Situations - 3 - Steve Lindo <i>Pre-Reading: Selected practice-based / topic-related articles</i>
April 3 Webex	Enterprise risk management in the insurance industry Brian Sloan , SVP, Great American Risk Solutions <i>Pre-Reading: Selected practice-based / topic-related articles</i>
April 8 Webex	Capstone Project Progress Review Review Progress on Projects, Update Client Company & Perform Work on Projects <i>Pre-Reading: Selected practice-based / topic-related articles</i>
April 10 Webex	Cyber risk management Scott Ferber , Partner, King & Spalding <i>Pre-Reading: Selected practice-based / topic-related articles</i>
April 15 Gerlach 265	ERM in Real-Life Business Situations - 4 - Steve Lindo <i>Pre-Reading: Selected practice-based / topic-related articles</i>
April 17 Gerlach 265	Capstone Project Progress Review Review Progress on Projects, Update Client Company & Perform Work on Projects <i>Pre-Reading: Selected practice-based / topic-related articles</i>
April 22 Tbd	Capstone Project Presentations <ul style="list-style-type: none"> • <i>Written Final Report</i> • <i>PowerPoint Presentation</i>