



# Enterprise Risk Services

## Enterprise Risk Management (ERM) Success through intelligent risk taking

ERM is a capability that involves identifying, measuring, monitoring, reporting, and responding to risks across an enterprise in a way that is aligned with the enterprise's objectives and risk appetite. ERM should address all major risk types including compliance, financial, hazard, operational, as well as strategic risks across all major business units and functions within an enterprise. ERM emphasizes value creation as well as value preservation and the application of risk quantification techniques to develop risk portfolios using measures such as Cash Flow at Risk and Earnings at Risk.

### Why implement ERM?

In recent years, more than ever, senior management has been searching for better ways to make informed decisions in order to achieve their business objectives. This has commonly been assisted through risk management practices. The gradual transition from conventional risk management to all encompassing Enterprise Risk Management (ERM) has enabled senior management to be aware of the risks to which it is susceptible, while developing plans designed to respond to these very risks. ERM has also gained substantial momentum because of the growing importance of solutions for compliance and regulatory norms (including BASEL II) for which ERM lays down the foundations.

Triggers for ERM implementation include catastrophic events such as stock market crashes and the current credit crisis, credit rating processes, compliance with regulatory bodies such as the Central Bank and other government regulatory bodies, the introduction of ERM by competitors, challenges posed by new or emerging products and the dynamic nature of business risk.

## ERM Value Proposition



### Does ERM apply to your business?

ERM applies to every type of enterprise including nonprofit organizations and government agencies. Early adopters were in riskier industries such as energy and resources (power, mining, oil & gas) and financial services. The next wave of business sectors seeing growth in ERM includes transportation, construction, telecommunications, health services, heavy industry exposed to commodity fluctuation, and government.

### Deloitte Middle East ERM Centre of Excellence

Our experience in implementing ERM services is second to none and we are widely regarded as the market leader in providing high quality ERM services to a range of clients throughout the Middle East. In response to growing demand, Deloitte has created an Enterprise Risk Management Centre of Excellence serving the whole Middle East region. Deloitte international ERM specialists have permanently relocated to the region to lead the ERM Centre of Excellence.

### Deloitte ERM service offerings

ERM Service Offering	Description
<a href="#">ERM Capability Assessment &amp; Roadmap</a>	The assessment of the client's current ERM capabilities relative to Deloitte Capability Maturity Model, the determination of the client's desired maturity level, and a plan to bridge the gap.
<a href="#">Risk Appetite Definition</a>	The articulation by executives of their risk appetite, both qualitative and quantitative, using structured facilitation sessions.
<a href="#">ERM Policy Development</a>	The drafting of an over-arching risk policy for organization's embarking on ERM program development.
<a href="#">Enterprise Risk Assessment</a>	The identification, description, semi-quantitative assessment, and prioritization of risks yielding a risk register of key corporate risks. The primary tools are review of existing documentation, independent research, interviews and workshops, and event tree development.
<a href="#">End-to-End ERM Design &amp; Implementation</a>	The design and development of processes, organizational structures, training, communications, and tools. This service offering is usually delivered with a system selection and implementation component.
<a href="#">ERM System Selection &amp; Implementation</a>	The design, development, configuration, and implementation of ERM systems. Deliverables include: market benchmark study, functional and technical requirements, RFPs, selection criteria and scoring methodology, demo scripts, application architecture, data flow diagrams, reports and dashboards, and interfaces and databases.
<a href="#">Risk Analysis &amp; Quantification (CFaR, EaR, DFA)</a>	The design, development, and implementation of risk measures and models using event trees, probabilistic analysis, dynamic financial analysis, and other statistical techniques.
<a href="#">Capital Allocation (NPV, IRR, RAROC)</a>	The design and development of measures to enhance capital allocation decisions, especially the development of risk-adjusted measures such as Risk-Adjusted Return on Capital, stress testing, and scenario analysis.
<a href="#">Basel II &amp; Solvency II</a>	The design and implementation of ERM solutions in a Basel II or Solvency II context for the financial services and insurance industries.
<a href="#">Risk Transfer Mechanisms</a>	Advisory services on risk transfer through outsourcing arrangements, insurance products, captive and self-insurance solutions, options and other derivative instruments. The application of risk quantification techniques to determine the optimal pricing for risk transfer products.

### Our Enterprise Risk Services Leaders - ERM

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