

MY TAKE: ANGELA HOON

Executive director, Strategic Risk Management, General Motors

COULD YOU TELL US ABOUT YOUR CURRENT ROLE AND SCOPE OF RESPONSIBILITIES AT GM?

Our CEO, Mary Barra, also considers herself the chief risk officer. I lead GM's global strategic risk management program and am responsible for supporting senior leaders in cultivating a risk mindset and driving a "risk" thought process into strategic and cross-functional decision-making. I also facilitate reporting of key enterprise risks to the board risk committee, work with the leadership to understand their risks, and facilitate risk discussions to help in complex business challenges.

DO YOU REPORT DIRECTLY TO THE CEO?

I report to the general auditor who reports to the CFO who reports to the CEO, and I have access to the chairman of the risk committee of the board.

TELL US ABOUT THAT RISK GOVERNANCE STRUCTURE

In 2014, Mary designated a full risk committee of the board, which meets four times a year. GM senior leaders facilitate discussions around selected key enterprise risks they own, current responses, and mitigation plans. We also have a management-level risk advisory council with an executive lead from every business function or unit, which meets monthly to discuss enterprise and cross-functional risks. Much of our risk management effort focuses on integrating risk into the business, risk mitigation, and decision support. Ten times a year, one of the business functions or units meets with Mary to have a discussion on how they integrate risk into their business, key risks to their business goals, and what risks are emerging. Over a two-year period, we'll have cycled through all of our business units.

THIS SOUNDS LIKE A LEADING PRACTICE. HOW DID YOU GET HERE?

Mary determined that risk had to be more part of governance at the board level and a driver of the business, and her taking the role of CRO was instrumental. Without that tone at the top, it wouldn't have happened. We realized as an organization that we needed to look at risk across functions and on a more enterprise-wide basis to avoid a check-the-box routine. In order to test this and gain management buy-in, we facilitated pilot workshops to develop techniques to engage teams and to help them to use a risk lens to analyze risks and solve complex business challenges.

WHAT ELSE WORKED FOR YOU ON THIS JOURNEY?

We avoided risk terminology like risk appetite, tolerance, culture, and residual risk. We use the language of the businesses and talk about threats, consequences, and responses. We'll ask about alternatives, contingencies, and how to be agile. We brought in all the risk concepts but without the jargon, and ultimately got better results, as business leaders could relate and understand the implications of risk to their objectives. Another key was the use of cross-functional workshops and techniques like wargaming, game theory, and pre-mortems. As part of the context of the risk discussion, we incorporate emerging risks, consider current industry trends, and look at external players.

CAN YOU TALK MORE ABOUT THAT?

As we piloted our workshops, we realized that risk is a key lens to help make decisions in the development of business strategy. Through risk workshops and decision support capabilities, the strategic risk management team has provided a risk thought process that has helped business leaders make risk-informed decisions in support of GM's business strategy, looking at both upside opportunities and downside risk. In 2018, 300 leaders participated in these risk workshops, and about 185 were director-level and above. These on-the-job risk discussions are helping transform our culture because they generate diverse, cross-functional thoughts and ideas, as well as encouraging outside-in and emerging-trends thinking.

HOW HAVE YOU USED TECHNOLOGY?

As a risk team, we have a love-hate relationship with technology, and believe technology solutions should be an enabler rather than a driver of risk management processes. As we started the program, we knew we needed to first get the business engaged to understand risks before adding technology. In 2018, we launched a GRC solution, and it will serve as our risk and mitigation repository. Our visual dashboards are refreshed weekly to provide a better user interface for the business. We first had to get the data into one place, and now we can focus on improving risk analytics, risk reporting, and ultimately, quantification and getting more predictive.

WHAT IS AT THE TOP OF YOUR RISK MANAGEMENT WISH LIST?

Continuing to work with management in the front end of business strategy development to bring the cross-functional risk lens in as early as possible.

WHAT IS YOUR FAVORITE PART OF THE JOB?

Connecting the dots and working with our business leaders to incorporate a risk lens as we analyze business challenges. We are making a difference in using risk as a consideration in GM's decisions, and it is exciting to see where we've been part of that—especially as we see management naturally discussing risk as part of business discussions.