



# ITS 835

# Chapters 26, 27, 28, 29

Mini-Cases on ERM and Risk  
Enterprise Risk Management

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# Overview

- Collection of four mini-cases
- Leaves open ended questions
- Presents real life situations
  - And needs for ERM
- Mini-Cases
  - Bim Consultants Inc.
  - Nerds Galore
  - The Reluctant General Counsel
  - Transforming Risk Management at Akawini Copper

# Bim Consultants Inc.

- Consulting firm
- 10 offices in Canada
- 3,000 staff
- 30 partners
- “Customers are number one”
- But revenue is stagnant
- Opportunity to buy out competitor
- Purchase would double size and sales
- Negotiations must be kept confidential

# Nerds Galore

- Canadian IT service company
  - 12 offices
  - 1,000 employees
  - Grew from founder's garage
- Shift from small start-ups to medium size customers
- High turnover of 20% is causing concern
- Decreasing customer satisfaction
  - Steady revenue (for now)

# Nerds Galore, cont'd.

- Strategy from new HR VP
  - Attract the best talent
  - Retain good people
  - Manage talent
  - Optimize the use of people
  - Rely on outsourcers
- Executive team workshop to explore HR risks
  - Inability to recruit people with needed skills
  - Loss of staff with key internal knowledge
  - Uncompetitive labor production
  - Increased departures of skilled technical staff
  - Loss of key business know-how

# The Reluctant General Counsel

- Business Software Corporation (BSC)
  - Silicon Valley, CA
  - Annual revenue over \$1 billion
- Board wants ERM
- Upper management supports establishing ERM
- EVP of development and general counsel
  - Doesn't want to be involved in ERM
  - Risk discussions could be discoverable in lawsuits
- U.S. Securities and Exchange Commission (SEC)
  - Requires disclosure of risks
- Recommendation is to not formally pursue ERM

# Transforming Risk Management at Akawini Copper

- Akawini Copper
  - Mining company acquired by larger United Minerals
  - Single mine and plant
  - \$774 million in revenue
  - 1,500 employees
- United Minerals implemented ISO 31000 framework
  - Substantially more sophisticated than Akawini's RM
  - Launched project to transform Akawini RM to ERM