



ITS 835

Chapter 12

Measuring Performance at Intuit
Enterprise Risk Management

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Introduction

- Intuit's ERM Journey
- ERM Maturity Model
- Benefits of Measuring Performance in ERM Models
- ERM Performance Measurement and Reporting
- Conclusion

Intuit's ERM Journey

- Began with ad hoc risk management
 - Very common entry point
 - Escalated to ERM when seminal event occurred
- Desire was to stop firefighting and start prevention
- Intuit ERM Core Principles
 - Enterprise-wide risk framework
 - Risk assessment is ongoing
 - Focus on most significant risks
 - Ownership and accountability
 - Measure and monitor performance

ERM Maturity Model

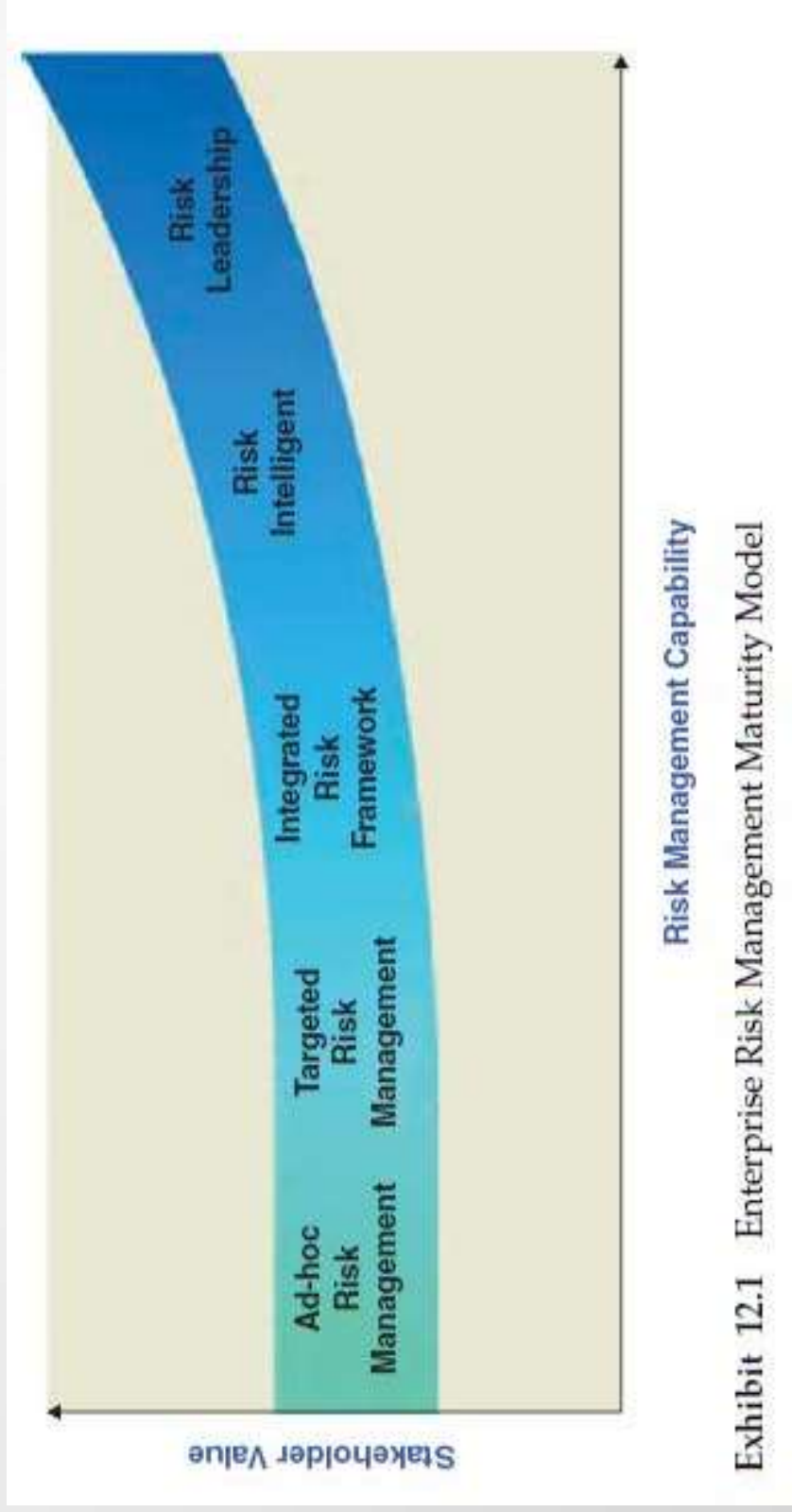


Exhibit 12.1 Enterprise Risk Management Maturity Model

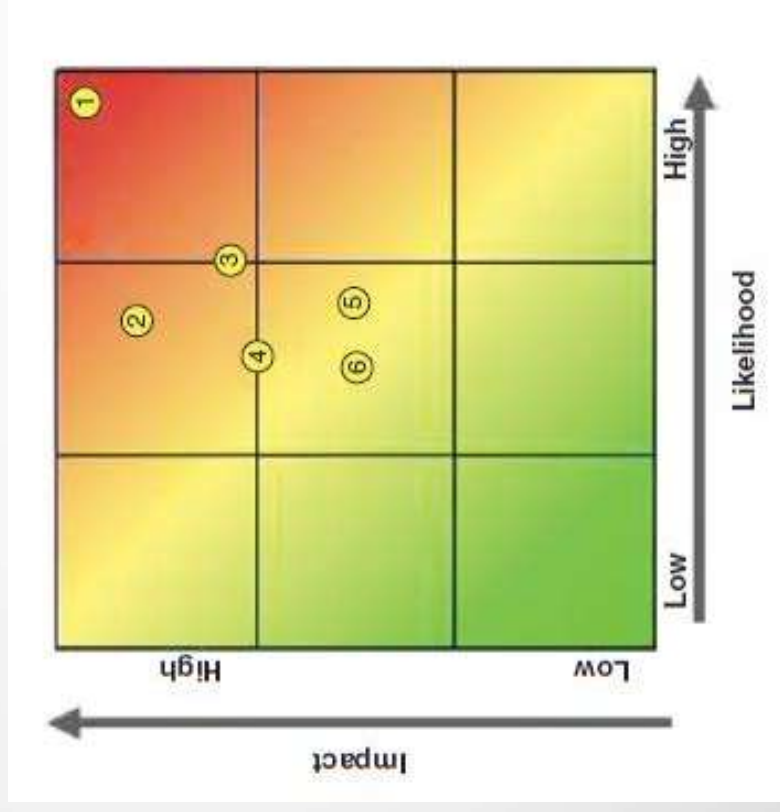
Benefits of Measuring Performance in ERM Models

- Key Performance Indicators (KPI)
- Based on business objectives
- Quantitative and qualitative KPI
- Leading and lagging indicators
- Input, process, and output indicators
- KPIs must be
 - Tangible
 - Flexible
 - Standardized
 - Outcome or objective focused

ERM Performance Measurement and Reporting

- First evolution - ERM process adoption
- Second evolution – Risk Mitigation Process Management
- Third Evolution – Multidimensional Risk Management Performance Measurement

ERM Process Adoption

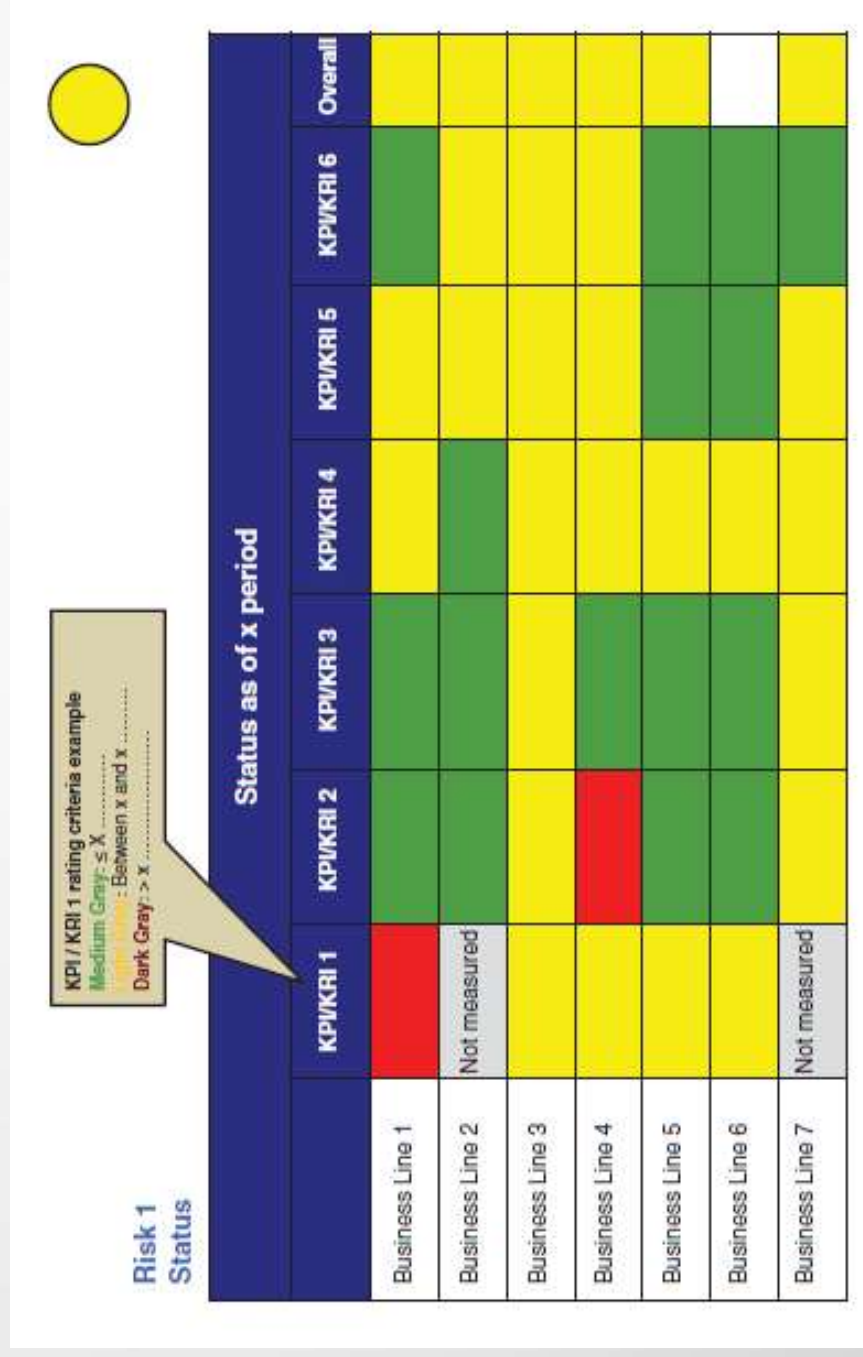


Risk Mitigation Process Management

Color	Status of Risk Exposure	Plan Status
	Missing or ineffective mitigation and/or significant process breakdowns. Further action required.	Plan significantly at risk.
	Some mitigation in place, stronger additional mitigation needed. Plans developed and some risk reduction occurring.	Plan potentially at risk.
	Managed well with appropriate mitigation in place. Risk has been reduced to an acceptable level.	Plan on schedule.
	Status not available.	Plan not started.
	N/A	Plan complete.

Risk	Status of Risk Exposure	Top Priorities	Risk Trend	Strategies to Improve and Plan Status
Risk 1		Xxxxxx	Stable Xxxxxx	<ul style="list-style-type: none"> • Plan 1 • Plan 2
Risk 2		Xxxxxx	Increasing Xxxxxx	<ul style="list-style-type: none"> • Plan 1 • Plan 2
Risk 3		Xxxxxx	Increasing Xxxxxx	<ul style="list-style-type: none"> • Plan 1 • Plan 2 • Plan 3
Risk 4		Xxxxxx	Stable Xxxxxx	<ul style="list-style-type: none"> • Plan 1 • Plan 2
Risk 5		Xxxxxx	Decreasing Xxxxxx	<ul style="list-style-type: none"> • Plan 1 • Plan 2

Multidimensional Risk Management Performance Measurement



Conclusion

- At Intuit, risk management is everyone's responsibility
- ERM must be a core business competency
- Coordination is a key to success
- Recognizes
 - Upside opportunity
 - Downside risk
- ERM process is regularly audited
- ERM is an integral part of Intuit's operating model