



MANIGENT

the Management Intelligence company

THOUGHT LEADERSHIP
RISK-BASED PERFORMANCE

About *Risk-based performance*

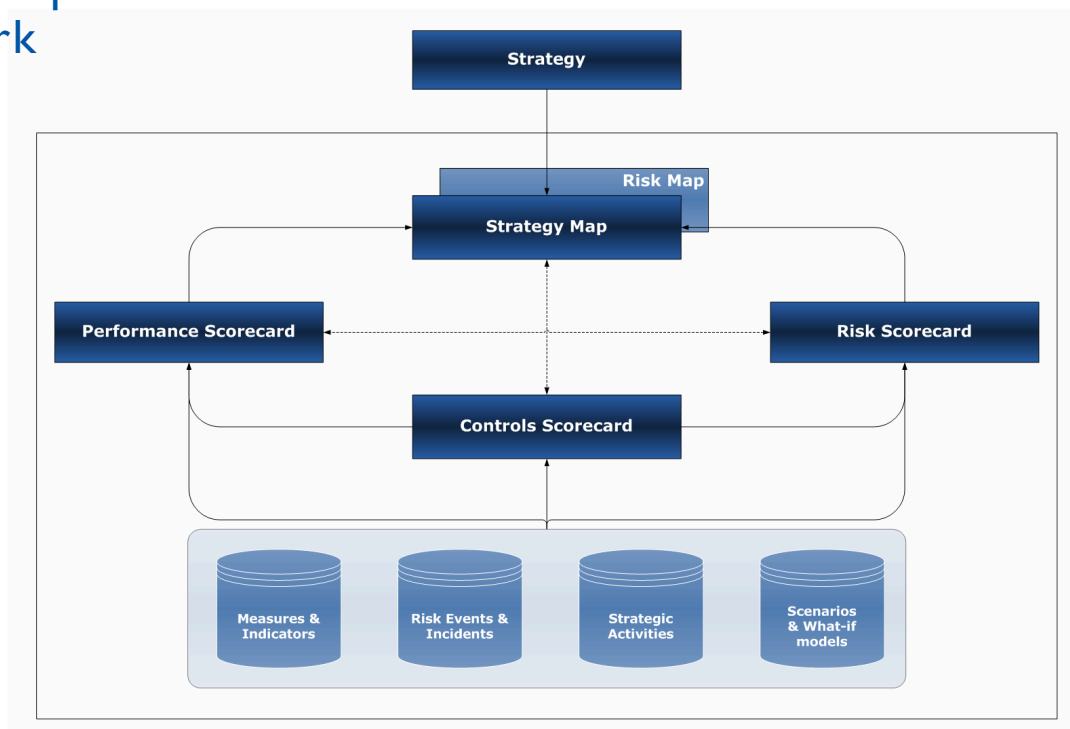


Risk-based performance is a strategic execution methodology developed by Manigent which provides an integrated view of performance and risk, enhancing strategic execution through improved management discussions, decision-making and action-taking.

Building on existing and widely deployed methodologies, Balanced Scorecard and COSO frameworks, Risk-based performance is a proven response to the performance and risk challenges presented in today's 'credit crunch' business environment.

The Risk-based performance methodology was developed to enable clients to meet the challenges of implementing BASEL 2 (AMA) and Sarbanes Oxley alongside performance management and other management information processes. In more recent months, the credit crunch has added another set of challenges when considering performance and risk management processes.

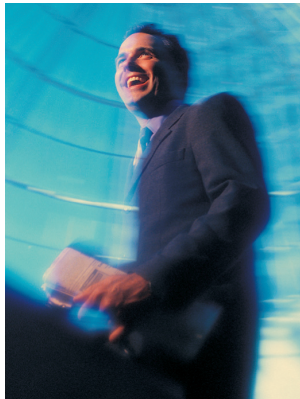
Risk-based performance framework



Move beyond the traditional silo approaches

Risk-based performance integrates performance and risk management processes and tools to provide the management information executives need to manage the trade-off between risk and reward and drive strategic execution.

Moving beyond the traditional silo approach whereby processes are performance-only focused or risk-only focused, Risk-based performance provides a comprehensive framework integrating these closely related processes.



Taking a pragmatic and 'keep it simple' approach, the methodology addresses some of the traditional issues within performance and risk management including:

- embedding performance and risk management into organisational culture and day-to-day decision-making
- too much data and not enough information
- too many measures but few true indicators

A proven approach, with proven benefits

Risk-based performance has been widely and successfully used in Investment banking, insurance, building society and professional services organisations to meet the challenges faced by these industries in the current "credit crunch" climate". The main benefits cited by clients in using Risk-based performance include;

- Reductions in risk-related losses
- Improved revenue performance
- Improved cost efficiency
- Development of a single enterprise-wide view of risk
- Improved capital allocation
- Reductions in head count, cost and complexity related to performance & risk reporting
- Development of clear alignment of Risk Appetite, Risk Exposure and Risk Capacity with Strategy



RISK-BASED PERFORMANCE

Discuss | Decide | Act



WHAT IS RISK-BASED PERFORMANCE?

- Strategic execution methodology
- Integrates & aligns performance and risk management
- Builds on existing, widely deployed methodologies - the Balanced Scorecard and COSO frameworks

THE RISK-BASED PERFORMANCE FRAMEWORK

- Strategy Map
- Risk Map
- Performance Scorecard
- Risk Scorecard
- Control Scorecard
- Indicators and measures
- Risk events and incident reporting
- Projects and countermeasures
- Scenarios and What-if analysis

KEY BENEFITS

- Reductions in risk-related losses.
- Improved revenue performance
- Improved cost efficiency
- Development of a single, enterprise-wide view of risk
- Improved capital allocation
- Reductions in head count, cost and complexity related to performance & risk reporting.
- Development of clear alignment of Risk Appetite, Risk Exposure and Risk

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