

Robert Torok: Welcome to our presentation on orchestrating risk adjusted performance management. My name is Robert Torok. I am an Executive Consultant with IBM Global Business Services. I am based in Toronto, Canada and I am part of our global financial management practice, specifically working in the domain of enterprise risk management. You will see my contact information coming up later in the presentation. What I want to talk about today is what's behind the meaning of the phrase a danger foreseen is half avoided. What we really mean by that is that if you and your enterprise are able to see a risk and identify the possibility of a risk event before it occurs, not only can the enterprise take actions to prevent it in some cases, but the enterprise can certainly implement mitigating strategies or mitigating tactics to enable recovery from that particular event and even more importantly than that as we suggested in the title of the presentation, by identifying mitigating actions and seeing what you might be able to do in advance of a risk event, organizations can now implement if you will performance metrics, performance targets that reflect what the impact of the risk and the risk management actions might be. The alternative to that simply is that organizations react on the fly, react almost as if it was a crisis and try to find ways to compensate for the event, take costs out of some other part of the organization to launch emergency actions which are not funded, but not reflected in the budget etc. The proactive approach allows that enterprise, that same organization to see those risks and to identify what the actions might be, what the impacts might be and start to see these across the entire enterprise through multiple steps, through multiple stages of the organization. So, as I flip over to slide 3, what we call the emergence of convergence, we look at the left side of the page and the picture what risk management is all about. Risk management as it should be conducted is a formal approach, a programmatic approach, but one that is an ongoing business process. Second, risk management does focus heavily on data and metrics. It is not purely a proactive environment in the sense that one cannot rely solely on data and metrics copying from the past, but it draws heavily upon past events, particularly in large population, large data enterprises such as financial institutions and so on. Third, while risk management takes a historical view as I have suggested with a data and metrics focused approach, it does look at the current state and then allows the organization to project forward, to take a forward looking view rather than just driving with the proverbial rear view mirror, we use the past to first project what the future might look like, but in a good risk management process, also ask what else might happen? What have others experienced in industry around the world, in our geography, in our jurisdiction etc.? Just because we haven't seen it yet, it doesn't mean it won't happen. We ought to look for those events that simply are not predicted quantitatively statistically and start to see what might occur and how those events might affect our enterprise and that creates what we call an intelligent or informed set of decision criteria, sometimes referred to as scenarios that we can use to project that in the future. Now, look on the right hand side of the page. What is performance management using? First of all performance management is a much larger and much more established practice in large companies. It too is data and metrics focused. However, it typically looks backward. It takes data from the past and tries to project that out into the future using leading performance indicators. Now, if these were our customer service levels in the past, these are likely to be our customer retention rates in the future. If this was our production quality in our manufacturing facility, this is what our quality costs are likely to be going

forward and so on. If we have a long term business, a business with a very long time horizon and order rates from the past few months or year might be very representative of predicted revenues going forward and performance management tools and approaches also seek to drive intelligent informed decisions looking ahead. If these two practices of risk and performance management were to converge or could be converged whereby risk metrics would be incorporated into day-to-day performance metrics, the organization will be much more powerful and much more able to look ahead, but unfortunately, current performance management practices have a blind spot. They have not allowed the organization, the enterprise to look ahead and see risks coming up. Essentially, what risk management has done is quantitatively looked at what I would call the very easy risks, the straightforward ones, the highly quantitatively ones, the ones that have a historical view sort of like *[Inaudible]* we can see in the picture here at the bottom of the page, but we haven't enabled the organizations to as we call it sense and respond and then anticipate and shape management practices that we have. Most organizations have what we call an uncharted danger. They are not seeing risks that are out in the future simply because they haven't experienced them and what you can't see, you can't prepare for. What you can't predict, you can't develop response plan for, but the objective of risk management in this context is not to find exactly the event that will occur; that's almost impossible in many cases, but to find things like it, to find things that roughly mirror a very similar to that possible risk event and to that develop a risk response scenario, risk response plan. For example, in a manufacturing organization heavily dependent on a supply chain, one of the things that is a major risk of course is the disruption of that supply chain, but how can the enterprise anticipate that disruption and then shape a response? The objective is not find the ultimate root cause of the supply chain disruption, be it a natural disaster at a supplier facility, shortage of raw material, labor disruption at some facility along the line, a derailment of a train for example, disrupted train shipment coming into your facility, some kind of regulatory change that causes the supply chain to be disrupted, etc. etc.; it doesn't matter. It could be a financial crisis that affects the supplier. The key question to you as the organization is how do we respond to a disruption in the supply chain of a given magnitude or time horizon or given length. What the root cause is might be irrelevant, but we want to anticipate that possible disruption and shape a series of responses so that when that disruption does occur, we have a response laid out and as we converge risk and performance management, the next question in that is what will be the impact of our response plan? When we respond to that supply chain disruption, what happens elsewhere in the organization? First of all, what's the cost? We have to spend some resources, could be cash, it could be hiring, etc., but we are going to spend some resources to respond to this particular risk event and the performance management implication is what is that cost? Where do these resources come from? What other things will not be done in our organization as a result of this particular risk response? Clearly, if I redeploy resources from project A to project B, or from one part of the business to another, something isn't getting done. The question is what and what in turn are the risk results of that nonaction. If I go do something else, what I have been doing before, it doesn't get completed. If I hire more people or subcontractors and now have an expense that I didn't have before, so clearly there are second and third and fourth order performance implications that need to be reflected in our risk response. Similarly, if we choose not to respond to a risk event, so to speak let it

happen, then we have to reflect the expected results of that event on our organization. If it is going to be a supply chain disruption and we lose revenues, how does that flow through the rest of the business? As the next slide starts to suggest, financial executives don't see all of these uncharted dangers and some of these comments come from some recent CFO surveys that IBM has completed over the last couple of years. For whatever reason, the management of risk has generally been a lower priority although it is increasing in importance. The last six months or so of economic activity and poor economic results as we talked about this in February-March 2009 has certainly elevated the importance of risk in most enterprises. The vast majority of risks that occur to an enterprise are nonfinancial in nature. Roughly 80%, 87% excuse me, of the risk events that organizations have faced in the last three years have been nonfinancial and by nonfinancial I don't mean that they don't have financial implications; that's how they are measured in fact, but nonfinancial means that the root event, the underlying risk occurrence was operational such as a supply chain disruption through a natural disaster, a strategic event such as industry consolidation, merges and acquisitions, it could be regulatory change. A few years ago in the United States the Sarbanes-Oxley Act was passed; that is a major risk event for organizations now forced to comply. It could be a data center outage. It could be a disaster in a production facility such as an oil refinery with an explosion, etc. Third, the elimination or reduction of some risks in many cases generates new ones and we will see that coming up a little later on in the presentation. Fourth, the formal management of risk is still relatively immature; again, as the survey data bears out, barely half of the respondents had formal risk management plans and had formal ability to respond to a risk event and some of that is simply because risk is not included in corporate business plans or enterprise business plans. It is simply something that occurs and then we jump and try to react to the particular risk. We will see on the next slide that finance generally plays the lower priority on supporting and measuring risk although that importance as I mentioned is growing and I say finance or we say finance here really because the CFO and the CFO's function are typically the part of the business that is tasked with managing and responding to a risk event, although risks are nonfinancial in nature as I mentioned a moment ago, the CFO ultimately bears the responsibility in most organizations for finding the resources if you will to respond to the risk. So, we see that in 2005 for example, only 40% of respondents viewed risk management as highly important, that number had jumped to about two thirds by 2008, in the spring of 2008, and I am highly confident that if we ask that question again today, the number wouldn't be 66%, but more likely in the percentage of... in the range of 86% as risk management grows in importance in most organizations. Some of the things that I mentioned in the last couple of minutes are summarized on the slide Risk Happens. Almost two thirds of the 1200 respondents for the last CFO study in 2008 had experienced a material risk event; that's their definition, whatever they deem material to be in the last three years and barely half were prepared for this event and as I mentioned about 87% of these risks were nonfinancial in nature and only half of the organizations managed risk in some formal way. You will see on the little pie chart on the next page some of the examples of the nonfinancial and the financial risks that have occurred in the past three years. Hurricane Katrina in the United States, product liability claims, some of you may recall from Christmas time 2007 Mattel having to cease the importing of certain toys because they had lead paint in them and therefore to avoid danger to children from

touching and handling these particular toys; geopolitical changes, geopolitical events - whether it is takeovers of government or overthrows of government or simply seizures of industries, companies or assets in certain geographies; illnesses, environmental and health issues such as the respiratory crisis of 2004-2005 if I recall correctly, SARS. This past summer in Canada we had a major food company literally producing poisonous food with a number of deaths as a result of that and so these are the types of events that organizations have to face and the combinations and potential ramifications of these events continues to grow, yet we really haven't seen the incorporation of these risk events in organizations' performance management plans. Finally, as I talk about nonfinancial risks, you will see the bar chart on the slide here where strategic risks and operational risks and so on have a far greater effect in many cases on organizations' market capitalization than purely financial events such as financial hedging, restatements etc. If you look at the impact on market capitalization on the right hand side of the chart of the financial risks as we call them, relatively small compared to declines in demand, acquisitions, mergers, competitors entering a market or even pricing wars. All these things have far greater effects on organizations than many of the financial risks that are relatively easily quantifiable and tend to be the ones for management focus. I mentioned earlier in the presentation that the elimination or management of certain risks often brings about new risks and that's what the... this slide is all about. If we look at organizations for example taking the last one that have outsourced or offshored certain business activities, the risk that they typically have addressed is rising labor cost or put differently, they have taken advantage of labor arbitrage by finding a lower cost way or lower cost jurisdiction from which to perform some service, but the converse of that, the result of that in some cases have been quality issues, many of us, myself included, are dealing with international call centers and we are not getting the same level of service in my opinion that we used to get a few years ago. How do you retain knowledge in these organizations? The call center that's located 5000 miles from home doesn't have the same underlying knowledge of the enterprise that the former company employees used to have. We also get the aspect of rising wages in some of the third world geographies that have become outsourcing and offshoring centers and this forces this continuous labor arbitrage as the call centers need to be moved or you recognize the risk that you mitigated really isn't as mitigated as we thought it was and finally, staying with that same outsourcing and offshoring point, there are many regulations in place in certain geographies in the United States and Canada in western Europe in particular where information security and information safety are growing in importance and one cannot simply transfer employee or customer data from one country to another as easily as perhaps it was once thought. Let me talk briefly about the second line on this slide, automated technology. Well, automated technology again has the advantage of eliminating from labor cost and therefore avoiding the rising cost of labor in many western markets. It eliminates the silly errors that human beings tended to make in a production line or in a transaction processing environment. The computer will do it the same way or the robot will do it the same way all the time, but as a result we are now exposed far more to catastrophic system failures than we were faced with before. Yes, an employee might make a mistake, but the employee tends not to have a catastrophic failure and make everything incorrectly all of a sudden. So, you start to see that the risks that you address with one set of actions in turn, directly or indirectly, and it might be a

third or a fourth order event, trigger new risks that now the organization needs to manage. Going back to our survey for a minute here, we mentioned earlier that formal risk management is still relatively an immature function in most organizations and you can see that risk management is a little bit more formalized as enterprises grow in size, but it is not still something that is oh, yeah, that's all, yes, we have that kind of function. Less than 60% no matter what company size or enterprise size we look at have some form of formal risk identification and routine management of risk. You are somewhere in the 40% to 50% range depending on the size of the enterprise, but again that risk management formality is growing. In 2005, a similar survey was conducted, very few enterprises had merged risk management into their core performance management processes. You will see that barely a quarter had... not even a quarter in fact business units had determined risk mitigation strategies and only 16% of risk mitigation, risk management strategies were integrated with strategic planning in an enterprise. The effects of risk were only included in forecasts less than 10% of the time, but as you can see in the bottom note on the slide, in our 2008 CFO study, risk reporting included with performance metrics is now up to about 50% and we have significantly increased the proportion of enterprises that have included risk in their ongoing forecast and plans, so the trend is very much to embed risk metrics, risk reporting in quarterly or rolling business forecast and planning and we will talk about exactly how to do that towards the end of the presentation. At a high level, the next slide talks about the importance and the opportunity to incorporate risk into core performance management. First of all, elevating the importance of risk. Some enterprises have created the title or function of a chief risk officer or a risk management function reporting in some cases directly to the board. That allows the enterprise to identify the most important risk and immediately raise those risks to very senior executive levels or to the board and the board with *judiciary*[Phonetic] responsibility really can't ignore it the way some of the risks were ignored by management in the past. They don't have that same vested interest to look good if you will to their executive levels. So, the board has that responsibility and is forced in many cases to ensure that risks are appropriately identified, assessed, prioritized, and then managed and I am going to focus the bulk of the remaining time to talk about the incorporation of risk in both short term tactical and longer term strategic planning. Let me ask the question for those of you watching and listening to this, which function and which types of functions in an organization is best profiled or best positioned to manage enterprise risk? You have a group of people in the bottom left of the quadrant that are what we call day-to-day operators. They have a day-to-day accountability in the business, they are running transaction processing or risk assessment and so on and these financial groups have identified risk managers, auditors, controllers, have relatively speaking by their temperament if you will and professional profile, have relatively lower tolerance for risk where in some other parts of the organization sales and marketing, these individuals tend to have a higher tolerance of risk, sales, marketing is a good example. The CFO typically sits in the middle. Although they have a broad organizational mindset, because they have a full scope of enterprise responsibility, they also have to manage their and balance their risk profile. They are typically leading an M&A function, a merger and acquisition function. That has a higher appetite for risk, while at the same time they are responsible for financial reporting, which obviously is something that most organizations we hope have a very low tolerance for risk. So, we have to straddle the risk

profile line while maintaining a strategic view and that's one of the reasons why the CFO has often taken on the responsibility for owning risk management in many organizations. By quick contrast, if you look where the CRO sits, the very title of a Chief Risk Officer suggests an individual whose responsibility is to minimize risk, downplay the potential significance of risk, risk is bad and that's not necessarily the case. One of the more interesting options for responding to a risk event is to exploit that opportunity, to take advantage of it, but we will talk about that a little later on. So, we can see on this next survey slide again that CFOs are growing and stepping up to a leadership role in risk management. So, almost 70% of CFOs are seen very effective at supporting and managing enterprise risk. That number has grown over the last few years. Again, when you look at what reports into a CFO on the next slide, about more than half of organizations have performance management reporting into them, about half have risk management reporting into them, and about a third have both risk management and performance management reporting to them and this one third are generally more effective at managing risks than the ones who purely have risk reporting in and that's just a function of being in a position to balance risk and performance management. How does an organization do that? Well, typically, we start with what we call value drivers. What is it that drives success in a particular industry? We have got two examples on this slide. One is the upstream oil and gas industry and one is the pharmaceutical industry. Both of them depend heavily of course as does any enterprise on revenue growth, but some of the things that drive revenue growth in these two industries are quite different. On the oil and gas side, you see production growth rates, how much can we get out of the ground and how much can we move through literally our pipeline? This is the price of oil and the exchange rate, the currency exchange rate. On the right hand side, the pharmaceutical industry, the ratio and run of new products coming to market, what are we able to get through our *deprocess[Phonetic]*, what are we able to get through the appropriate regulatory bodies to license and make available, how do we patent our products, how long is the patent protection period, how tight is the patent, in other words, can it be if you will copied by a generic drug manufacturer, and what happens to society demographics in the particular geography where the company operates? Now, you can start to ask risk questions around each of these revenue drivers. So, for example, what is our R&D pipeline flow? What is inhibiting that pipeline from producing new products? What is the risk of getting a new product or new drug license? What are the various steps we have to put in place? How are we executing on those steps? How strong is our patent protection? Are our patents being infringed on any regular and consistent basis? Is our core product offering targeted at a demographic part of society that is growing or that is increasing in our favor? For example, if you are targeting young children with a particular set of pharmaceutical products in a geography where the number of children is actually shrinking for whatever reason, then by definition you have a revenue problem looking ahead several years and so on. As you go down the page, you can start to ask risk questions that lead, maybe it's six months, maybe it's six years, maybe it's 16 years down the road, to potential revenue problems or profit problems or tax issues. For example, fixed assets, if I look at that one, in the oil and gas industry, fixed assets literally can take decades to develop and come to fruition. So, all of a sudden, the concept of fixed asset cost management becomes critical in that particular industry whereas in the pharmaceutical industry it is much, much shorter timeframe even though

the product life cycle is very, very long. So, what you want to ask you look at the value drivers of your particular industry is very simply what is it that could negatively affect this particular value driver. How do we manage the value driver? That's what we want to talk about on the next slide. Most risk maps that organizations use simply position risk on what we call an impact and likelihood scale. You can like take the value driver I just talked about and plot them on a grid like this, so how likely is the risk of *when[Phonetic]* to occur and how big is it were it to occur? And the scale of the organizations used in this kind of graphic range from something as simple as this sort of on the left side of the x axis virtually impossible or virtually never or highly unlikely all the way across to the right side very likely or certain to occur and the impact of the events, we use moderate high and critical, I have seen things like you know negligible to catastrophic, some organizations use quantified scales in a one to nine or one to ten, others use dollars for the impact or customer service level or whatever the area might be. It doesn't matter how your enterprise chooses to measure this, but typically, you put it on some kind of likelihood and impact matrix like this and then you start to ask the question of, taking risk A as the example, what is the so called inherent risk; before I do anything, risk A is something that is likely to occur and is going to have a big impact if it does occur. What can I then do about it? Well, I have taken some action which reduced both the likelihood and the impact of that event through various controls, mitigation plans, response plans, prevention, etc., but if at that point, I still feel that the current risk is too high relative to what I am willing to accept, which is point A on that picture, then I still need to take further action. I haven't done enough to reduce the impact. I am pretty close on the likelihood scale. So, there is three questions that has to be asked for each of these risk events. If I do nothing or before I do anything, where does it fit, where will it fit after I take the actions I am planning to take, and then is that good enough? How much risk am I willing to take on for each particular risk that faces the enterprise and if the amount that you are willing to take on is less than the amount you have got, the current risk, you then need to take further action or find some other way of mitigating it and again, you can manage both the likelihood and the impact or just one of the two elements. You can't necessarily manage both. You will never manage the likelihood of a tornado. It's either going to happen or it is not going to happen in a particular environment. You can choose not to be in the physical environment and avoid having facilities in places that are at higher risk of tornados, but you can't stop the event from happening. Therefore, you are forced to deal only with the impact. On the other hand there are other risks where the organization can significantly control the likelihood. Let me give you an example, starting on the next picture, a little case study of one of the other elements of risk management here, which is the idea of compounding risks. Let's use a Canadian water producer that is exporting water products to the United States and this is an entirely real case study except we have changed a couple of little things like the industry and some of the geography, but the underlying case is exactly the real situation. So, we have a Canadian company that is exporting bottles of water to the United States and initially, this is true, in fact a few years ago, the Canadian dollar began to strengthen dramatically against the US dollar, and if we are selling Canadian product into a US market, then that strengthening of the currency tends to affected reported results in the Canadian company; you now have fewer revenues as measured, smaller revenues as measured in Canadian dollars. So, your financial results are weakened. The next thing to happen quite

independently is that there were water export restrictions from Canada into the United States. Well, the restricted water exports as you might suggest suddenly caused sales opportunity to be lost and there is pricing pressures and volume difficulties and so on, so your weaker results now get compounded, it may get worse and worse if you will. As these weaker results start to come to fruition, then goodwill, which is an accounting term, was found to no longer have economic value by the company's auditors and the goodwill was written off, the write off in turn had a significant effect on the balance sheet, and the write off therefore caused debt covenants to be violated and when the debt covenants were violated, these are simply the rules around that restrict what the company can do when it is in debt, those violations forced them to suspend dividends and quite literally you can imagine what the share price does through this series of events, starting to drop a little bit as the currency strengthened and another further drop as the volume results came to fruition and then a significant fall off as the debt was violated and dividends were suspended, going from you know x to virtually zero in share price, but the interesting thing is that a single risk management event could have mitigated virtually all of these risks and all the organization had to think about was well, what would we do if the Canadian strengthened or what could we do? What happened at the border that was closed to our product or restricted to our product? And the simple action that was necessary or would have been necessary had it been done in time is to find a US water source, not necessarily for a 100% of the product volume, but at least for some portion of it because it would have retained a domestic supply, it would have caused a US dollar expense flow, it would have eliminated some of the currency risk and certainly eliminated the border risk. So, sometimes one action can counteract multiple types of risks, but you do need to think about what would happen if A occurs and what happens if event B occurs at the same time? How do we respond to that? These two events had nothing to do with each other, but yet when both occurred, the company was virtually decimated. We have found that more effective risk management organizations use certain key performance management tools to help manage risk. The most obvious one is a historical comparison. We look at what risk events have occurred or what trends have occurred and we start to compare those with our performance targets and therefore project into the future. Second is the idea of a specific risk threshold. Some trigger points for risk management activities. The best way of explaining that for those of you in many industries is the equivalent of statistical process control, whether it's defect rates or transaction processing volumes or wait times in any kind of environment as soon as it gets outside of a norm or our target range, we start to take risk actions and say how do we increase the rate at which our customers are served, how do we reduce the defect rate in the manufacturing facility, etc.? The next slide identifies the fact that in many organizations risk management has been housed as a silo and that's wrong, very simply, because the same actions might affect the growth side of a business as well as the risk management side of the business. For example, if we want to fill greater customer needs, that's our objective, improved customer satisfaction, therefore we want to understand what customers need, we have to take certain actions to improve customer satisfaction and then use that as a driver for profitable growth, but on the right side we talked about the risk mitigation strategies and the same things that we might do to mitigate risk would also serve to improve the profitability of the enterprise. So, all of a sudden the same set of actions can serve multiple purposes, but you can also imagine the same chart look that



in reverse, what would happen if these two strategies were opposing one another such as believing that we need to have more product in the store, more product and inventory to respond to customer demand while at the same time reducing our capital consumption, reducing our working capital by having less product in the stores, by having less inventory on hand. Now, you would need to perform some kind of quantitative analysis to see what the impact of each of these two strategies would be and then find the one strategy that serves both purposes if not equally well, but relatively well. Let me go on with the idea of looking at the profitable growth strategy again but adjusted for risk. For every single prospective on this version of a scorecard, one needs to ask what if it goes wrong? What if client commitments prevent our sales staff from going to training classes? What if the training course is not well defined or well delivered? What if a competitor implements a similar strategy to what we are pursuing? What happens if our customers are dissatisfied for whatever reason and so on? So, if you ask the question and what could go wrong, what could prevent this metric from being achieved or this target from being achieved, you start to identify a number of risk management options that you need to challenge, you need to ask; not asking it means you can't avoid it. At least asking the question allows management to potentially take actions to mitigate the risk. Let me summarize what I wanted to talk about today with a little wheel on this particular picture. First of all, incorporating risk and risk metrics into business planning can yield significant benefits. First of all understanding risks will definitely enhance strategic and operational planning. If you simply understand what can go wrong, you can start to develop plans that would mitigate those risks. If those risks are already incorporated and reflected and the risk mitigation strategies are budgeted for, then the enterprise budget be it done quarterly, monthly, annually, doesn't matter, will be much more relevant and much more realistic than it would otherwise have been. If we can start to plan for employee turnover and budget for employee turnover, in our business plan, we can incorporate that and start to build in costs for that turnover, not just the hiring cost, but also the getting up to speed cost, the mentoring time that it takes for this employee to get himself or herself up to being a typical or prototypical productive employee. When we start to report on risk, we can start to monitor it. If we don't report it, how do we take action on it? How do we take corrective action? How do we know if our mitigation and prevention activities, be they business controls, operating controls or response scenarios, are operating effectively? As we report on risk and we start to adjust our actions based on those risk reports, we can start to improve our rolling forecasting capability and the accuracy of that. Picture a risk profile or a set of risk events that have a time dimension to them such as political risk due to an election that's coming up. Once the election has passed, that risk is either realized or it's not realized. Yes, I understand that politicians rarely do what they say, but if we take that risk and ignore it for a moment, then a political risk that an organization faces because of a particular candidate's view point will either be realized or much more likely to be realized if that candidate is elected and then as that time period passes and therefore the knowledge grows, we either know what has happened, either the candidate is elected or not, we can now adjust our forecast to say we had now better plan for this next year because this individual was elected and therefore will likely pass these regulatory reforms or legislative reforms that negatively impact us or it won't happen and therefore our business will be more profitable going forward. Couple of examples of railway, utility organization, and then an interesting one is zoo, the San Diego Zoo, three

organizations that took very different but complementary approaches to incorporating and aggregating risk in their performance metrics and all three of them did so quite successfully. In conclusion, the profession, the management of performance has evolved over the last few years. It has grown dramatically, the one big gap in performance management remains the fact that risk metrics are not incorporated in most performance targets and most balanced scorecards and in most other performance management processes. Similarly, risk management has not been well served or well managed over the past few years and the current economic environment does point to some of that at least in one or two major industries. Most organizations have not yet well reflected performance metrics in their risk metrics and finally, risk is yet to be placed into context effectively in most organizations. They have not yet looked far enough ahead beyond the immediate and traditional risk response plans to start to see the secondary and third order effects of risk management actions. My contact information is on the next slide and I want to thank all of you for your time and attention today. You can certainly reach out to me today and in the future with that contact information. I hope the presentation was useful and enjoyable. Thanks very much.