

WINTER 2008

MICROSOFT TECHNOLOGY IN THE FINANCIAL SERVICES INDUSTRY

TAKING CONTROL

Selim Selvi describes how HP helped İş Bankası to store and manage an increasing volume of e-mails

GOVERNANCE,
RISK MANAGEMENT
AND COMPLIANCE

THE SMARTER
KNOWLEDGE BANK



Find out how Microsoft Windows High Performance Computing Server 2008 is already creating a stir in the EMEA financial services sector. **Page 6**

"It is imperative that IT and IS service providers, together with the business units they support, plan thoroughly and implement necessary solutions to cope with events beyond their control."

Colin Silvester, Director of Product Management, IPC Systems



“ ERA SUPPORTS THE DEVELOPMENT OF A POSITIVE RISK CULTURE WITHIN FRIENDS PROVIDENT BY HELPING TO INTEGRATE EFFECTIVE RISK MANAGEMENT INTO EVERYDAY WORKING PRACTICES ”

FRIENDS PROVIDENT

www.friendsprovident.co.uk

One of the UK's leading financial services groups, Friends Provident required a risk system that would enable the identification, assessment, recording and reporting of risks, bringing all these elements together in a user-friendly format. In 2006, the company chose Enterprise Risk Assessor (ERA) from Methodware, which enables it to record, evaluate and track the progress of risks and loss events across its businesses.

“In order to ensure a successful risk management strategy, we needed a strong risk culture fully embedded in all parts of the business,” says Phil Sellen, acting head of risk at Friends Provident. “The solution needed to support end users rather than dictating to them, so they had the information to make risk-based decisions as opposed to being constrained by the technologies.”

Methodware's ERA software uses a Microsoft SQL Server database, and is integrated with both Word and Excel for report generation purposes. It is networked across the organisation, with access given to those responsible for the coordination of risks within each business unit, together with the majority of the actual risk owners.

The solution has enabled Friends Provident

to effectively analyse and manage risk across the organisation. “With ERA we are able to produce all the reports we require at the touch of a button; from high-level board reports to in-depth analysis of failed controls and loss events,” says Sellen. “The ability to produce ‘focused risk reporting’ for management teams at different levels throughout the organisation is of particular value, especially as it enables the management teams to concentrate on the salient aspects of their risk profile.”

In the current financial climate, effective risk management is a high priority that carries benefits beyond the risk and compliance arena. “Recent dramatic changes in the global capital markets have highlighted lack of confidence in the financial sector as a key risk,” says Sellen. “This manifests itself with both City investors and consumers requiring a proactive and controlled approach to capital management to mitigate the effects of the risk materialising. Successful risk management can therefore bring additional benefits such as improved reputation, more effective use of capital, and increased awareness of potential opportunities. It therefore becomes a marketable attribute that can contribute considerably to the success of financial firms today.”

The company's ERA implementation has helped it to ensure that a positive risk culture is part of business as usual. “ERA supports the development of a positive risk culture within Friends Provident by helping to integrate effective risk management into everyday working practices,” concludes Sellen. “The software also enables Friends Provident to improve the quality of risk reporting, leading to an increased level of risk discussion and debate.” **F**

OVERVIEW

Solution: Risk management system

Benefits: Efficient report production; focused risk reporting for management teams at different levels throughout the organisation; development of a positive risk culture

Technologies: Methodware Enterprise Risk Assessor software, Microsoft SQL Server database

Partner: Methodware

www.methodware.com