Risk Management's Role in Corporate Defense

Sean Lyons[1]

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[1]Risk-Intelligence-Security-Control (RISC) International (Ireland). sean.lyons@riscinternational, i.e.: www.riscinternational.ie/

Abstract

If we consider corporate defense as representing an organization's program of self-defense, we are referring to the structures, measures, mechanisms and processes aimed at defending the interests of all of its stakeholders (including its people). Managing corporate defense is therefore an extremely responsible station, as it involves the responsibility for adequately safeguarding the interests of all of the stakeholders of an organization. This increasingly requires a more comprehensive, progressive and proactive approach to the management of all defense-related activities (including governance, risk management, compliance, intelligence, security, resilience, controls assurance etc), and the co-ordination and integration of a range of interrelated disciplines. The challenge is to ensure that they are all operating in unison and towards common objectives. Taken together these defense-related activities can help to anticipate, prevent, detect and react to potential threats and vulnerabilities, thereby shielding the organization from potential hazards. Significant developments have been occurring at a functional level within these activities themselves, resulting in considerable overlap, duplication and intersection. This has in turn led to developments at a cross-functional level, where something of a convergence evolution is occurring in areas such as "enterprise risk management (ERM)," "governance, risk and compliance (GRC), and "business resilience" etc. The broader cross-functional discipline of "corporate defense management (CDM)" is also now emerging as a multidisciplinary approach to addressing the challenges facing corporate defense going forward. These developments obviously represent significant opportunities for those involved in risk management, as they are well positioned to be at the forefront of this evolution. However as a result of recent developments in other defense-related activities, stiff competition is also presenting itself from other disciplines, each with objective of becoming the driving force in this space. With this in mind, risk management's role should not be underestimated and its potential future role needs to be fully considered and appreciated.