The Integrated ERM Problem from the Classical Cybernetic Point of View

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Abstract

The paper considers the ERM problem as an adaptation and stability problem of complex system development. The basic approach of W. Ross Ashby and its development by S. Beer are applied.

The cybernetic approach of W. Ross Ashby and S. Beer is the most general view on complex systems' nature and structure with the aim to research its adaptation properties and stability. For this, the feedback provides synthesizing the integration issues, the adaptation-based view internally connects risk with the whole problem of enterprise's successful development and the functional scheme makes possible the risk consideration as both danger and leverage.

The author advances the cybernetic functional feedback model as applied to the integrated ERM structural mechanism. Such formulation of the ERM problems seems promising to correctly detail and structurally integrate the various issues, including operational and financial systems linkage, key adaptation parameter of time and its different periods, optimal activity and others.

The paper is **theoretical**.