

# Risk Management Made Simple

Welcome to the FREE Online Newsletter about **Systematic Risk Management**  
for **executives** and **management professionals**  
from **Risk Wise Inc.** and **Diana Del Bel Belluz**

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### BONUS RESOURCE: The Integration Advantage

IBM Global Business Services in cooperation with The Wharton School and Economist Intelligence Unit have published the Global CFO Study 2008 titled '**Balancing Risk and Performance with an Integrated Finance Organization**'. The survey is based on interviews with over 1200 Chief Financial Officers (CFOs) and senior finance professionals at enterprises in 5 major economic sectors (including government) and 79 countries across the spectrum of revenue size.

Although the report focuses on integration of financial information and the finance function, the findings are highly relevant for risk management. Some key take-aways for risk managers are:

- **"At their core, 'outperformance' and risk management are about getting to the truth ...** the single set of facts about the business that reflects the reality of the enterprise's performance generated by hard data." It is important to integrate financial, risk and performance management information to get to the truth. As one survey participant commented, once you start down the road to integration, "The conversation shifts from 'Are these numbers right?' to 'How do we use these numbers to better our business?'"
- **Structure and discipline drive integration effectiveness.** The study points to the following drivers of increased effectiveness in integration: common data definitions; globally mandated standards; and enterprise-wide standard common processes. These are also the components of good governance and what the authors of the study call the Integrated Finance Organization (IFO). By failing to provide a cohesive integration strategy and governance structure, **"top management may be abdicating a good portion of their value creation responsibility"**.
- **The Integration Advantage.** The study shows that Integrated Finance Organizations (IFOs) perform better than non-IFO enterprises in ways, including:
  1. IFOs have higher revenue growth rates and outperform industry peers in high-growth markets.
  2. CFOs with an IFO are more effective at executing their agendas.
  3. IFOs are more effective at risk management.

**To download a copy of the study, or to compare your enterprise to this global data set, visit:**  
[ibm.com/gbs/2008cfostudy](http://ibm.com/gbs/2008cfostudy)

**How are you driving integration of finance, performance, and risk information within your enterprise?**

I appreciate receiving emails with your success stories at [Diana.Belluz@riskwise.ca](mailto:Diana.Belluz@riskwise.ca)

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**Pass it on!** Please share this E-Zine with people in your network.

## About Us



Diana Del Bel Belluz  
President  
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**Diana Del Bel Belluz, M.A.Sc., P.Eng.,** is a risk management advisor who **helps executives in large organizations to implement systematic and sustainable risk management practices.** Since 1990, Diana has been doing **leading-edge risk work** for companies in a wide range of industries and government organizations.

In addition, Diana **advances the field of risk management** by **teaching** university courses and management training seminars, **speaking** at conferences and **authoring** publications on a wide range of risk management topics.

**To learn more about Risk Wise,** contact Diana Del Bel Belluz directly at: [Diana.Belluz@riskwise.ca](mailto:Diana.Belluz@riskwise.ca)



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