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Building Organizations of Integrity

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Do you need advice on the selection of GRC products and services?

Buyers of GRC products and services can engage Corporate Integrity (at no cost) via email or a half-hour call to get the advice needed to make purchase decisions.

Let Corporate Integrity help you, contact: inquiry@corp-integrity.com

Blog

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"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness,"

Charles Dickens, A Tale of Two Cities
English novelist (1812 - 1870)

Friend,

Happy New Year! I want to thank everyone for the encouragement and support shown in completing my first year of business as an independent analyst and advisor.

Many of you have expressed great interest in my series on the Ultimate . . . Platform. [The Ultimate Compliance](#) and [Enterprise Risk Platform](#) newsletters (which can be found on [my blog](#)) have been quite popular. I have received questions as to why I have not sent out the next issue on on the Ultimate Operational Risk Platform. The short answer - it will be in your inbox next week.

This week I turn your attention to two other matters. . .

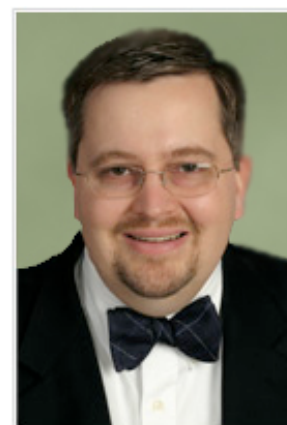
1. **The Risk & Compliance Market in 2009, and**
2. **Commodity Risk Management.**

Risk & Compliance Market in 2009

Charles Dickens might as well have been speaking about the risk and compliance market (GRC market) when he stated "*It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness.*"

What was considered foolish a few years back - basically conservatively running a business - now is reaping rewards and once again shows the wisdom in living within ones means (in this case a business). Vendors that took on too much debt and went to the well of venture funding time and time again now find themselves sinking slowly into the abyss with a millstone of expensive operations and stakeholder expectations sinking them to its depths.

However, those that ran a very conservative business are reaping rewards and



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Upcoming Events

- 2/2 - [ONLINE WORKSHOP: 2009 GRC Fundamentals, Trends, & Market Directions](#)
- 2/9 - [ONLINE WORKSHOP: Next Generation Policy & Procedure Management](#)
- 2/16 - [ONLINE WORKSHOP: Understanding the Role of Corporate Compliance](#)
- 3/2 - [ONLINE WORKSHOP: Understanding the Role & Challenges of Enterprise Risk](#)
- 3/9 - [ONLINE WORKSHOP: Managing 3rd Party/Supply Chain Risk & Compliance](#)
- 3/11 - Milwaukee ISSA Chapter Presentation "Risk & Regulatory Intelligence"
- 3/13-3/19 - South Africa Trip, Presenting at GRC Workshop
- 3/20 - New York IIA Conference
- 4/6 - [ONLINE WORKSHOP: Optimizing Legal & Compliance Processes](#)
- 4/13 - [ONLINE WORKSHOP: Risk & Regulatory Intelligence](#)

Recent Research

- [Foundations of GRC: Commodity Risk Management](#)

seizing opportunity in the current economic environment. Two such vendors that have publicly come forward with this are [Archer Technologies](#) and [Compliance 360](#). There are others succeeding as well, but there are far more that are treading water hoping some ship of acquisition passes by in the next few months. Others are sinking with that millstone of debt and excessive expectations.

2009 will bring renewed focus on corporate governance, enterprise risk, and compliance management (GRC). Organizations will continue to seek help from professional service firms to implement GRC and ERM strategies. Further, in a tight economy, organizations will continue to implement processes and technology that assist in streamlining risk and compliance operations at lower costs.

Interestingly, while compliance will remain a priority I see enterprise risk management pulling ahead in 2009. This is because of the economy and the fact that organizations need to have a transparent view of risk and performance across the organization. It also is a result of the complexity and distributed nature of business as well as current challenges such as Standard & Poor's risk evaluations impacting enterprise risk strategy. This is driving the risk consulting market more than the technology market at this point. I see a greater technology spend on enterprise risk management solutions/technology in the 2nd half of 2009. Right now organizations are recovering from economy shock, a new administration (in the U.S.), and seeking advice on enterprise risk strategy. My newsletters illustrate a broader trend in risk over compliance - I have a 10% higher read rate on my mailing list of 5500+ subscribers on the Ultimate ERM Platform than I did on the Ultimate Compliance Platform - despite the ERM newsletter went out between Christmas and New Years (bad-timing for a newsletter).

Compliance though remains a priority for organizations. The SEC in particular has been very vocal that [organizations should not cut corners on compliance](#). Organizations are struggling to gain an understanding on how they can streamline processes for management of policies as well as communication of them. There is increased interest in automating compliance and control monitoring within business systems and processes. Further, organizations desire to get an enterprise view into loss, issues, and incidents - which is a necessity to truly manage and measure enterprise risk.

The single focus area of risk and compliance that will get the most attention in 2009 is managing risk and compliance across extended business relationships (e.g., 3rd parties, supply chain, vendors, outsourcers, service providers). This focus area of risk and compliance has been my busiest over the last several months. I have had well over a dozen conversations with large international organizations trying to figure out how to manage employment/labor, code of conduct, anti-corruption, quality, safety, and security across extended business relationships.

This is just a quick summary of the complexity, challenges, and potential for the risk and compliance(GRC) market in 2009. For those interested, I will be doing an online 2-hour workshop on this topic February 2nd - [2009 Fundamentals, Trends, & Market Directions](#).

Commodity Risk Management

- [Investigation Management Tools Ease Fraud Pain](#)
- [Integrating Ethics from Top to Bottom](#)
- [Achieving a Sustainable & Effective IT Risk & Compliance Program](#)
- [FDIC Guidance for Managing Third Party Risk](#)
- [Outsourcing Compliance Strategies](#)
- [Key Characteristics of a Federated GRC Strategy](#)

The global economy is driving many organizations to develop enterprise risk management strategies. Unfortunately for many they often interpret this as SOX on steroids and fail to deliver a true enterprise view of risk. ERM often is trapped in an internal control view of risk that fails to comprehend and interpret the complexities of global business.

For this reason I am introducing a critical area of risk management that should be part of enterprise risk strategies for organizations that are susceptible to risk in the availability and pricing of commodities.

Organizations are in an ongoing effort to achieve sustainability, consistency, transparency, accountability, and efficiency across risk and compliance initiatives. The fact of the matter is: organizations need complete visibility into the portfolio of risks spread across distributed and complex business processes and relationships. A spectrum of organizations are susceptible to uncertainty and risk in relation to commodities. Rising demand for commodities, limited supplies, complex supply chains, international relations, hedging, and exchange rates - all have a large impact on the ability of organizations to produce and deliver goods to their clients profitably.

As organizations define their enterprise risk and GRC strategies it is essential that they gain an understanding of the central relevance that commodity risk management plays.

Risk management is ultimately about managing uncertainty in business. While there are a number of risk management initiatives that are part of a GRC or ERM program (e.g., treasury, operational, strategic risk), commodity risk management is often overlooked and poorly managed across a number of siloed roles in the organization which are focused on specific commodities.

If an organization's bottom line is subject to extensive variability because of fluctuating commodity prices, it becomes paramount that the organization develop and implement processes and systems to manage commodity risk centrally on a holistic basis.

To learn more about Commodity Risk Management I encourage you to download (no charge) my latest research on the topic from my website: [Foundations of GRC: Commodity Risk Management](#).

Corporate Integrity Workshops go Online!

You have requested . . . and I have listened. Many of you have asked that I take my in-person workshops and do them online. While I strongly feel that in-person training is the best format, the tight economy dictates. I now am offering a range of workshops online in 2-hour sessions.

The list of upcoming online workshops that you can attend (\$145 per attendee) are as follows:

- 2/2 - [ONLINE WORKSHOP: 2009 GRC Fundamentals, Trends, & Market Directions](#)
- 2/9 - [ONLINE WORKSHOP: Next Generation Policy & Procedure Management](#)
- 2/16 - [ONLINE WORKSHOP: Understanding the Role of Corporate](#)

Compliance

- 3/2 - [ONLINE WORKSHOP: Understanding the Role & Challenges of Enterprise Risk](#)
- 3/9 - [ONLINE WORKSHOP: Managing 3rd Party/Supply Chain Risk & Compliance](#)
- 4/6 - [ONLINE WORKSHOP: Optimizing Legal & Compliance Processes](#)
- 4/13 - [ONLINE WORKSHOP: Risk & Regulatory Intelligence](#)

I will be doing more in-person workshops in the 2nd half of 2009 - if demand increases. In the meantime I am always open to doing in-person workshops and training internal to companies as well.

Corporate Integrity Website Updated

The first few weeks of 2009 have given me a chance to rachitic my business and make many updated content additions to my website. The following areas may be of interest to you as you look into your 2009 plans and want to understand how Corporate Integrity may be of assistance . . .

- [Written Research](#)
- [Research Presentations](#)
- [Workshops](#)
- [Speaking Abstracts](#)
- [Advisory: Compliance, Legal, & Risk Professionals](#)
- [Advisory: Technology Providers](#)
- [Advisory: Professional Service Firms](#)
- [Quoted in the press](#)
- [What others are saying](#)

2009 Risk & Compliance Strategy Planning

Corporate Integrity is actively engaged in helping organizations plan their 2009 risk and compliance strategies. If you need a few hours of advisory time on the phone or in person to help plan your 2009 priorities and wish to understand drivers, trends, best practices, and the landscape of professional services and technology - contact me at my email below.

Ultimate ". . ." Platform Series

Next week I will again pick up my Ultimate Risk and Compliance Platform series in this newsletters. The schedule, which is subject to change and interruptions, is as follows:

- Operational risk management - week of 1/26/09
- Supply-chain risk & compliance - week of 2/2/09
- Legal/general counsel - week of 2/16/09
- Corporate social responsibility - week of 2/23/09
- Audit - week of 3/2/09
- Finance/treasury - week of 3/9/09
- IT - 3/16/09
- Quality - 3/23/09
- Environmental, Health, & Safety - 3/30/09

Sincerely,
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