

Institute of Directors, Bengaluru
Presents

Regional Webinar on **RISK** **MANAGEMENT**

 20 AUGUST 2021

THEME:
**CAN RISK
COMMITTEES
DELIVER ?**

Institute of Directors (IOD), India, Bangalore Region organised its Regional Webinar for the financial year **2021- 2022** on '**Risk Management**' on August 20, 2021. The theme of the Regional Webinar was "**Can Risk Committees Deliver?**"

The event witnessed participation by around 150 business participants comprising of business leaders, corporate directors and industry experts from across the country.

Brigadier Rajeev Kapoor, Regional Director – Bangalore Region, Institute of Directors welcomed all the distinguished speakers, eminent guests, event partners and the audience from across the country, and shared his thoughts by highlighting the components behind this webinar.

The '**Welcome Address**' was delivered by:

Mr. Arun Balakrishnan

Honorary Chairman - IOD, Bangalore Region
former Chairman & Managing Director, Hindustan Petroleum Corporation Limited, Founder Chairman, HPCL-Mittal Energy Limited

Mr. Balakrishnan welcomed all the distinguished speakers, eminent guests, event partners and the audience from across the country. He shared the theme of the Webinar and briefly spoke on the key issues on Risk Management, by describing the broad spectrum of views on 'Risk & Mitigation Strategies'. He shared his perspective, focusing on risk in investment, industrial economy, effect on MSMEs and its impact, acquisition of smaller businesses by larger organizations/organized sectors, and using technology/digitization to help organization in cost-cutting, improved profits, etc.

Thereafter, the '**Keynote Address**' was delivered by:

Mr. Akshaya Bhargava

Founder & Executive Chairman, Bridgeweave Limited, United Kingdom
Independent Director, Mindtree Limited

Mr. Bhargava spoke on the topic "**Challenges of Managing Risk**". He deliberated on the Role of the Board Risk Committee (BRC) by highlighting the three key aspects i.e. **Identification**, **Evaluation** and **Mitigation**, which he explained as a necessary





Mr. Arun Balakrishnan
Former CMD - HPCL &
Founder Chairman - HPCL-Mittal Energy Ltd.
Honorary Chairman - IOD, Bangalore



Mr. Akshaya Bhargava
Founder & Exec Chairman
Bridgeweave United Kingdom



Dr. Ganesh Natarajan
Chairman of 5F World
Lighthouse Communities &
Honeywell Automation India Ltd.

component of Good Governance. Subsequently, he emphasized the dangerous (remote) risks i.e. Cyber Security, Ransomware, etc. which are the risks of today and shall become a bigger risk of tomorrow. He further elaborated that India is on top of the global attack list comprising of firms, hospitals, IT Companies, etc. with 67% of Indian companies making the payment & globally 32% of companies have made the payment. He opined on the three risks of tomorrow i.e. Digital Consumer, Quantum Computing and Central Bank Digital Currencies, which are further elaborated:

- **Digital Consumer.** With the advancement in the technology, consumer behavior seems to be more influenced by the digitized world (devices), which will grow exponentially in times to come. The digital consumer is connected at any time and any place, mainly because of the growing use of mobile devices – a recent survey showed that emails were read by only 0.25% of person's vis-à-vis 6.5% of text messages. To think of it, the emails will vanish, and also the generation will dissociate with any such traditional activities which shall be duly supported with 5G technology, thereby achieving it by enhancement in the velocity/speed.
- **Quantum Computing.** He spoke on the power of quantum computing which is futuristic and shall change the world by transforming things in abundance and making things cheap. He suggested that the encryptions codes of today will break easily and cyber criminals will be the biggest beneficiaries as

they will be able to grab this opportunity but the bigger risk envisaged is that these unprincipled people having all the money can hire the brightest of mind and technology and still will not be governed by any regulation(s).

- **Central Bank Digital Currencies.** Bitcoin, Litecoin, Ethereum, etc. will give way to legitimate crypto i.e. a digital currency can also exist in an unregulated form and if it qualifies as a virtual currency and is widely adopted, it shall be under the control of the currency developer(s), the founding organization, or the defined network protocol instead of being controlled by a centralized agency making the traditional banks redundant/irrelevant. Since, there will be no bank deposit, lending will be an issue i.e. the Balance sheet Management and Liquidity Management of the bank will disappear in the times to come resulting in the breaking of linkage between market and monetary policy.

This was followed by an energetic & interactive **Q&A session** where the participants showed their keen interest in the deliberations.

This was followed by Special Addresses, delivered by the following Distinguished Speakers:

Dr. Ganesh Natarajan

Chairman - 5F World, Global Talent Track, Pune City Connect, and SVP India, Founder, CAIA – Centre for AI & Advanced Analytics Independent Director, State Bank of India

Mr. Bhargav Dasgupta

Managing Director and Chief Executive Officer
ICICI Lombard General Insurance Company Limited

Mr. Madhavan Menon

Managing Director
Thomas Cook (India) Limited

Mr. Vijay Chawla

Partner & Head - Life Sciences and Head - Risk Advisory
KPMG, India

Dr. Natarajan spoke on the topic “**Succeeding with Digital Transformation**”. In his informed address, he shared his insight and discussed the Journeys of Employees / Customers i.e. moving from CapEx to OpEx, experimenting with Cloud & mobility, etc. He deliberated the “WHY” of Digitization; “WHAT” is happening in the world of Digitization and “HOW” one gets in right. In the current scenario, organizations have understood the power of Data and are trying to find a success mantra with the application of Artificial Intelligence (AI) & Machine Learning by enabling Predictive and Prescriptive analytics. This formula will necessitate new customer, partner, and employee journeys, business process redesign, data and analytics, and new skills and culture. He also delved that the Boards must carefully evaluate multiple risks in the journey to digital success by moving towards cloud hosting and ubiquitous mobile access. Boards needs to be cognizant of cyber security, at all times.

Mr. Dasgupta spoke on the topic “**Risk Management – An Insurer's View**”. He elucidated on how Enterprise Risk Management (ERM) focuses on risk assessment processes. He also delved into the nuances on how these have helped the company to identify risks and act timely. He further articulated that new-age risks can be tackled when the companies have proper planning & management in place.

Mr. Menon spoke on the topic “**Risk Factors in Hospitality, Travel & Tourism (Global/ National)**”. He highlighted the untold pain and hardships, Covid-19 has brought to individuals and organizations from all corners of the world and especially the industry of “**The Hospitality, Travel & Tourism Industry**” which has been hit the hardest, as it involves movement of people via air travel which increases the risk of the spread of viruses at a much faster pace than normal. Thus, tourism has been both a catalyst for the spread of the virus and also a victim of the spread which have rendered destinations unattractive to tourists coupled with travel restrictions, border closures, quarantine and social distance measures instituted by governments in curtailing the spread of viruses. These measures coupled with media sensationalism have made destinations affected by pandemics unattractive and the result is fear of travel to those destinations and cancellation of flights, hotel reservations, and other scheduled events.

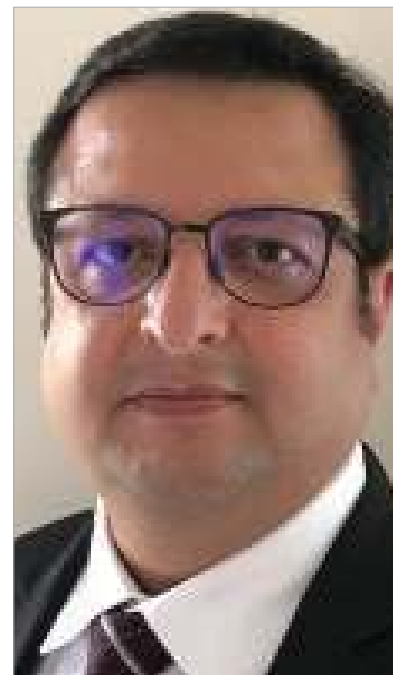
Further, businesses and service providers along the tourism value chain including the farmers who supplied vegetables to a



Mr. Bhargav Dasgupta
MD & CEO
ICICI Lombard General Insurance Co. Ltd.



Mr. Madhavan Menon
Managing Director
Thomas Cook India Limited



Vijay Chawla
Partner & Head – Life Sciences and Head,
Risk Advisory for KPMG in India
Member firm: KPMG in India



Mr. R. G. Rajan

Board Member of National Governing Council & All India Honorary Director of IOD
Former Chairman RCF Ltd & Former Chairman, SCOPE

restaurant, and taxi drivers who shuttled tourists from airports to hotels are all affected. The impact is huge, and not yet predictable, on both revenue and supply chains.

Some of the meditative actions that the industry can take are dealing with consumer anxiety, using technology to build consumer confidence. Since the road to recovery is going to be a long one, all operators, investors, and stake - holders must stay in close contact by keeping all their plans under review and take steps to institute crisis management plans which must embody survival strategies namely, **Cost-cutting, Orderliness, Virtualiz - ation, Integration, and Domesti - cation (COVID).**

Mr. Chawla spoke on the topic **“Assess, Quantify & Mitigate Risk – A Consultant's point of view”**. He highlighted that Risk Management Committees (RMCs) have played a major role in identifying and advising

the board including the processes involved in mitigating risks with higher levels of scrutiny. He started with key challenges faced by the Risk Committee which will be the key focus for companies in 2021 and beyond. He dwelled on the importance of Environmental, Social, and Governance (ESG), Cyber - Data privacy, and Data Governance including mitigation strategy, Disruptive technologies, etc. He stressed that if initiatives are taken in the correct perspective, they can provide valuable insights which can help build business resilience in terms of financial metrics which create long-term value for stakeholders. He briefly covered the evolving risk landscape by showing empirical variable data covering different types of risks and how after assessment, how an organization/company can identify risks in isolation or cluster form thereby displaying a significant impact on the organization. He later covered the importance of Corporate Governance Mechanism for controlling Corporate Risk – Identifying the right Talent with requisite Skills – Need of the hour and Supply Change Management. He briefly spoke on the Role of Risk Management / Risk Committee within an organization highlighting key aspects - defining the risk, identifying and evaluating/measuring the impact, prioritizing the probability of materialization, and, subsequently, establishing appropriate ways to manage/ mitigating the significant risks.

The **'Vote of Thanks'** was delivered by:

Mr. R. G. Rajan

Board Member, National Governing Council & All India Honorary Director, Institute of Directors

Former Chairman & Managing Director, Rashtriya Chemicals and Fertilizers Limited, National Fertilizers Limited and Projects & Development India Limited

Former Chairman, The Fertiliser Association of India and Standing Conference of Public Enterprises (SCOPE)

Mr. Rajan in his **'Vote of Thanks'** summarized the proceedings as deliberated by all speakers. He thanked all the distinguished speakers, eminent guests and the audience from across the country. Special thanks were conveyed to the **Principal Partners** for the event, namely - **Coal India Limited** and **Mahanagar Gas Limited** for their generous support.

The Regional Webinar was hosted online via Zoom platform, and was also streamed live on YouTube.

The Report is Compiled by:

Brigadier Rajeev Kapoor

Regional Director - Bangalore Region
Institute of Directors

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