

The Federation of Euro-Asian Stock Exchanges (FEAS) in Cooperation with KRM22 published a Whitepaper on Risk-Based Performance Management Methodology

October 11: The Federation of Euro-Asian Stock Exchanges (FEAS) in Cooperation with KRM22 today published a Whitepaper on Risk-Based Performance Management Methodology.

The purpose of this paper is to introduce Risk-Based Performance Management (RBPM), a strategic management methodology that integrates strategy and risk management via risk appetite.

While all industries have been affected by the COVID-19 pandemic, some bear the brunt of the downturn much more than others. And no matter how deep a hole remains, during every crisis the first thing that pops-up is the risk management framework of the company. The Risk-Based Performance Management (RBPM) methodology emerged from a series of projects immediately after the 2008/09 financial crisis. A little over ten years after RBPM's launch – and as countries and businesses slowly emerge into a post-COVID-19 landscape – it's tempting to conclude that everything has changed. But while much has changed over the last 18 months, the core challenge remains, and this shows that RBPM should be one of the most important lines in management processes.

The main issue is caused by the fact that enterprise and operational management usually is being managed in relative isolation from existing business strategy management processes.

The Whitepaper is the result of cooperation between FEAS and KRM22 led by Head of Enterprise Risk and Thought-Leader/Author Andrew Smart. The base of the Whitepaper is the Risk-Based Performance Management methodology created by Andrew Smart (For more information go to (<https://www.getrbpm.com/>), complimented with a survey and study of FEAS Members' approach to enterprise performance and risk management. Key insights generated from the survey include

1. FEAS Members have a higher rate of successfully delivering their objective than seen in academic studies and findings reported by consultancy and industry commentators.

2. Within FEAS Members, those using Objectives and Key Results (OKRs) deliver a higher percentage of their objectives than those using the Balanced Scorecard.
3. From an Enterprise Risk Management perspective, FEAS Members have widely adopted Enterprise Risk Management however, they have designed their own approach rather than a formal standard.

While the Whitepaper is available for the public, survey results will be distributed only among FEAS members. The Whitepaper shows our belief that the Risk-Based Performance Management methodology not only offers the best way to achieve business sustainability during and after a crisis, but it is also the only unique tool for it.

Konstantin Saroyan, Secretary General of FEAS, said: "The idea of planning and managing risks in parallel of strategy management and operational management is the core message we are willing to pass to the readers of this Whitepaper.

We at FEAS believe that the cooperation with KRM22, and personally with Andrew, will bring a great added value for both FEAS members and community by opening up this topic, and making every detail about it on a more understandable level".

Andrew Smart, Head of KRM22 Enterprise Risk, said: "Working with FEAS members to learn about their approaches to Enterprise Performance and Risk Management has been extremely insightful. This is a group with some well-developed management and governance practices. However, the silos between Enterprise Performance Management and Enterprise Risk Management exist within the membership, as it does across Market Infrastructure, and Financial Services firms generally so there is opportunity to learn and improve. This makes our collaboration an exciting one to be a part of."

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About KRM 22

KRM22 is a specialist software investment business led by industry experts, with an investment focus on risk management software and technology predominantly for capital markets. KRM22 envisions a world in which capital market organizations operate at an optimal threshold of risk to improve alpha and drive increasing profits. It is our mission to deliver a Global Risk Platform that brings increased visibility of risks to CEOs and senior executives while simultaneously lowering the cost of risk management systems to capital market organisations.

About Federation of Euro-Asian Stock Exchanges (FEAS)

The Federation of Euro-Asian Stock Exchanges (FEAS) was established on 16 May 1995 with 12 founding members. The purpose of the Federation is to contribute to the cooperation, development, support and promotion of capital markets in the Euro-Asian Region (i.e. Europe, Asia and the Mediterranean Basin).

Currently there are 39 members. For information about FEAS, its members and activities, please visit www.feas.org.

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