

SUSTAINABLE OPERATIONAL RISK MANAGEMENT



CAPCO
THE FUTURE. NOW.

A CALL FOR CHANGE IN OPERATIONAL RISK

In today's fast-evolving and challenging environment, financial institutions need to balance the provision of innovative and sustainable services against their risk tolerance. Firms are forced to re-think operational risk management to ensure accountability, mitigating measures and remediation remain effective.

Lack of risk awareness within an organization poses the greatest risk. Although many financial firms maintain operational risk frameworks, they often lack ownership, resulting in uncoordinated and inconsistent measures and controls, and a weak risk culture. To improve the overall risk management performance, firms need to move away from rule-based systems towards holistic and efficient risk-aware environments, with a robust 1st line of defense.

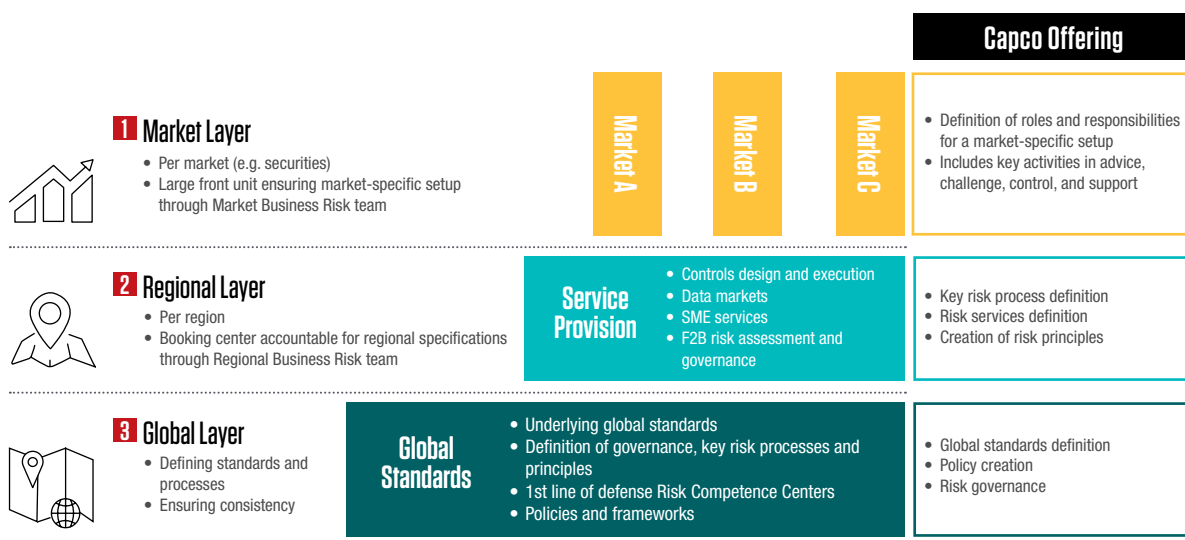


FEDERATED SOLUTION

THREE-LAYER BLUEPRINT

Our operational risk management solution uses a federated approach consisting of three layers:

- **Global layer** - serves as a firm-wide common denominator and anchors the underlying market and regional layers;
- **Regional layer** – harbours competence centers with operational risk experts responsible for design, control, and execution of the operational risk framework and risk services;
- **Market layer** – houses dedicated risk teams which act as senior advisors to market heads and operate within their market-specific setup.



BENEFITS

Direct cost impact

An efficient structure, aligned governance and clearly defined processes, roles and responsibilities can reduce bottom-line costs by up to 20% in the first line of defense (based on Capco projects outcomes).

Resilient risk culture

Risks must be tackled where they originate. Embedded responsibilities in front-facing functions promote a sense of ownership and contribute to a positive risk culture.

Simplicity and flexibility

The model is easy to adapt and flexible to implement. It relies on a logical round-up of various regulatory initiatives into a successful 1st line of defense.

WHY CAPCO

Capco has a long-standing record of conceptualizing and implementing risk management frameworks for Swiss and global financial institutions. We provide efficient and pragmatic solutions tailored to our clients' needs.

Capco can support you by reviewing and optimizing your risk operating model and overall approach to managing operational risks.

This includes:

- Performing a gap analysis based on global and local market insights;
- Designing a bespoke operational risk framework;
- Implementing solutions that enable identification, assessment and monitoring of operational risks.

Effective risk management is not about managing risks. It's about managing people and empowering them to understand, own, mitigate and remediate risks. As operational risks increase, a successful 1st line of defense is vital for creating a sustainable risk culture and enabling risk-aware decision-making across firms.



CONTACT

Andrea Hoffmann, Partner
andrea.hoffmann@capco.com

Thomas Schreier, Consultant
thomas.schreier@capco.com

ABOUT CAPCO

Capco is a global technology and management consultancy dedicated to the financial services industry. Our professionals combine innovative thinking with unrivalled industry knowledge to offer our clients consulting expertise, complex technology and package integration, transformation delivery, and managed services, to move their organizations forward. Through our collaborative and efficient approach, we help our clients successfully innovate, increase revenue, manage risk and regulatory change, reduce costs, and enhance controls. We specialize primarily in banking, capital markets, wealth and investment management, and finance, risk & compliance. We also have an energy consulting practice. We serve our clients from offices in leading financial centers across the Americas, Europe, and Asia Pacific.

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