

# Risk Universe

Strategic	Operational		Legal, regulatory & compliance	Financial
<b>1. Governance</b> <i>Board performance</i> <i>Organizational policies</i> <i>Tone at the top/ Values</i> <i>Reputation</i> <i>Conflict of interest</i> <i>Diversity &amp; inclusion</i>	<b>7. Delivery (Content &amp; Product)</b> <i>Content &amp; Knowledge development</i> <i>Professional development</i> <i>Customer service and experience</i> <i>Product innovation &amp; development</i> <i>Performance metrics</i>	<b>13. Relationships</b> <i>Vendor management</i> <i>External fraud &amp; abuse</i> <i>Affiliates</i>	<b>14. Compliance/code of conduct</b> <i>Compliance</i> <i>Ethical behavior</i> <i>Internal fraud, waste &amp; abuse</i>	<b>17. Accounting &amp; reporting</b> <i>Accounting</i> <i>Delegation of authority</i>
<b>2. Communication</b> <i>Board communication</i> <i>Employee communication</i> <i>Member/volunteer communications</i> <i>Vendor communications</i> <i>External affairs</i> <i>Social media</i>	<b>8. Sales &amp; marketing</b> <i>Marketing</i> <i>Business development</i>		<b>15. Legal</b> <i>Intellectual property</i> <i>Legal/litigation</i> <i>Copyright infringement</i> <i>Contract commitment</i>	<b>18. Liquidity and credit</b> <i>Administrative costs</i> <i>Cash management</i> <i>Insurance</i> <i>Investment activities</i>
<b>3. Mergers/acquisitions</b> <i>Due diligence</i> <i>Execution &amp; integration</i> <i>Valuation &amp; pricing</i>	<b>9. Hazards/Business Continuity</b> <i>Business interruption</i> <i>Catastrophic loss</i> <i>Crisis management</i>		<b>16. Regulatory</b> <i>Health &amp; safety</i> <i>Regulatory response &amp; reporting</i> <i>International</i> <i>Laws/regulations</i>	<b>19. Revenue cycle</b> <i>Billing &amp; collections</i> <i>Pricing</i>
<b>4. Strategic initiatives</b> <i>Vision and direction</i> <i>Planning and execution</i> <i>Technology implementation</i>	<b>10. Information Technology</b> <i>Application development</i> <i>Data governance/integrity</i> <i>Infrastructure/architecture</i> <i>IT security &amp; privacy</i> <i>Intellectual property management</i> <i>IT strategy</i>			
<b>5. Market dynamics &amp; brand</b> <i>Competition</i> <i>Member/Business community expectations</i> <i>Legislation/Public policy</i> <i>Macro-economic factors</i> <i>Socio-political</i> <i>Brand management</i>	<b>11. People</b> <i>Accountability</i> <i>Career development</i> <i>Compensation &amp; benefits</i> <i>Culture</i> <i>Recruiting &amp; retention</i> <i>Succession planning</i> <i>Skills &amp; competencies</i> <i>Leadership continuity</i>			
<b>6. Planning &amp; resource allocation</b> <i>Capital allocation</i> <i>Change management</i> <i>Growth &amp; strategy</i> <i>Operations planning</i> <i>Organizational structure</i> <i>Resource capacity &amp; allocation</i>	<b>12. Physical assets</b> <i>Real estate</i> <i>Facilities maintenance &amp; performance</i> <i>Inventory</i>			

# Strategic Risk Definitions

Strategic risks	
<b>1. Governance</b>	
Board performance	Failure of the BoD to discharge their obligations and duties owed to company and it's stakeholders in good faith; and to possess adequate knowledge to interpret and act on information provided.
Organizational policies	The risk that the company does not set appropriate or adequate policies to effectively bridge its strategies and operations. This also includes the risk that policies are not effective in establishing and assigning clear authorities, limits and boundaries.
Tone at the top/ values	Senior management fails to establish an environment that encourages integrity, ethical values and competence of the company's people through management's philosophy and operating style, assignment of authority and responsibility, and the organization and development of its people.
Reputation	The risk that the company will not recognize or appropriately manage reputation threats as perceived by members, volunteers, business community, employees and other key stakeholders, hence inhibiting the company's ability to perform and grow. This risk includes processes to collect and act upon constituent satisfaction data. This also includes the risk that the value of intangible assets is materially impaired.
Conflict of interest	Failure to properly identify, monitor and address conflicts of interest leading to reputational risks and/or compliance violations.
Diversity & inclusion	The risk that the company does not have a strategy to promote diversity and inclusion within the workplace. This includes the risk that the composition of the Board and Senior Management does not represent the diversity of its membership base.
<b>2. Communication</b>	
Board communication	The risk that communication to demonstrate business performance and drive informed decision-making by the Board is untimely, inaccurate or ineffective.
Employee communication	The risk that communication channels with internal personnel and from internal personnel are ineffective, inaccurate or untimely. This risk includes delivering relevant information during a crisis situation and consistently monitoring formal and informal communication mechanisms, within reason. This also includes the risk that communication processes are inadequate to drive business acceptance of new business initiatives.
Member/volunteer communications	The risk that communications with members and volunteer groups are ineffective, inaccurate or untimely. This also includes the inability to anticipate and manage shifts among member stakeholders that result in critical or damaging public communications.
Vendor communications	The risk that communication channels with vendors are ineffective, inaccurate or untimely.

# Strategic Risk Definitions

Strategic risks	
<b>2. Communication (contd.)</b>	
External affairs	Inability to anticipate and manage shifts in the information stakeholders want and the way in which they want it communicated to them; and ineffective, ongoing, transparent communications with the public in order to create goodwill.
Social media	The risk that the company does not have effective governance or policies in place in regards to the use of social media - internally and externally - to prevent reputational damage, member/potential member dissatisfaction, disclosure of proprietary information, and exposure of sensitive information.
<b>3. Mergers/acquisitions</b>	
Due diligence	Failure to perform thorough due diligence (including information technology, human resources, financial) prior to executing mergers, acquisitions and divesture activity.
Execution & integration	Failure to execute and integrate specific transaction activities to capitalize on mergers, acquisitions and divesture opportunities to expand the product portfolio, or initiate a change in strategic or operational direction. The risk of operational or market failures results from combining or merging companies or acquiring blocks of business. This also includes the risk that the company does not complete adequate due diligence prior to acquisitions, resulting in reputation, legal or financial losses.
Valuation & pricing	Management and key decision-makers are unable to reliably measure the value of a specific business or any of its significant segments in a strategic context. This risk affects the evaluation of owned businesses (e.g., to decide whether to invest/grow, maintain/harvest, or divest/liquidate) and prospective businesses (e.g., acquire, joint venture or strategically align).
<b>4. Strategic initiatives</b>	
Vision & direction	Failure to establish a vision and direction for major initiatives, including services, products and programs that will drive future growth. Inability to adequately diversify and reduce reliance on single revenue streams.
Planning/execution	The risk of failure to plan and execute major initiatives in a coordinated manner.
Technology implementation	The risk that a major technology implementation fails to meet the strategic objectives of the organization, and the company fails to use technology to achieve competitive advantage.
<b>5. Market dynamics &amp; brand</b>	
Competition	Actions of competitors or new entrants to the market effect the company's competitive advantage and/or ability to survive. Inability to maintain and grow market share due to the failure to recognize and respond to competitive threats.
Member/Business Community expectations	The risk that the company does not recognize new or evolving customer expectations driven by factors such as economic trends, demographic patterns, cultural concerns, changes to profession etc. This includes the risk that the company is not aware of or does not recognize the expectations of the business community that it is trying to impact.

# Strategic Risk Definitions

Strategic risks	
<b>5. Market dynamics &amp; brand (contd.)</b>	
Legislation/Public policy	The risk that new laws, new regulations, changes in existing laws or regulations, or their enforcement or application by foreign, federal or state law makers/regulators are not monitored and prepared for, and impact the ability of the company to operate in its current capacity or achieve targeted levels of profitability and growth. This also includes the risk that management has not established effective channels to engage public policymakers or has not appropriately aligned those channels with the business.
Macro-economic factors	The risk associated with macro-economic conditions that affect the ability to maintain or increase revenue and profitability in a specific business environment.
Socio-political	Exposure to social and political factors within a market environment that affect the ability to market, sell and service products and services.
Brand management	The risk that the company does not have or execute a strategy to proactively manage and promote the organization brand in a consistent manner within the US and internationally.
<b>6. Planning &amp; resource allocation</b>	
Capital allocation	The risk that the company does not appropriately or sufficiently allocate capital to the areas required to fuel its growth, execute its strategies, generate future financial returns or advance and serve the HR profession.
Change management	The risk that the company does not have effective and efficient processes for executing change within the organization in one or more of the following categories: <ul style="list-style-type: none"> <li>• Investment payback — ensuring appropriate business case analysis and return on investment.</li> <li>• Project management — ensuring appropriate management of the change activity toward successful achievement of objectives.</li> <li>• Change impact — ensuring appropriate understanding and proactive management of risks and consequences that may occur within, across or outside the business as a result of implementing the change.</li> </ul>
Growth & strategy	The risk that strategic planning and growth agendas are not properly developed or managed to achieve quality, reputation and future performance expectations. This risk also includes the process by which the company positions its capabilities, products and services relative to competitors.
Operations planning	The risk that the company's operating plan (i.e., how business strategies and policies will be executed) is not realistic, sufficiently operative, adaptable to changes in the company's risk profile or is not aligned with the company's strategic and financial plans.

# Strategic Risk Definitions

## Strategic risks

### 6. Planning & resource allocation (contd.)

Organizational structure	The risk that the company's organizational structure (e.g., values, culture, infrastructure, segment/business unit alignment) does not enable the company to execute its strategies or achieve its objectives in an efficient manner.
Resource capacity & allocation	The risk that the company does not have sufficient capacity to execute its business plans or excess capacity threatens the company's ability to generate competitive margins. Failure to have a well-defined human resource strategy that supports the business and strategic objectives, employee needs and desired organizational mission, vision and values. This also includes the inability to discover, evaluate and select among alternatives to provide direction and allocate resources for effective execution to achieve the strategic objectives of the company.

# Operational Risk Definitions

Operational risks	
<b>7. Delivery (Content &amp; Product)</b>	
Content & Knowledge development	The risk that the company does not have the ability or processes for developing content or products that are relevant or beneficial to members or the HR profession.
Professional development	The risk that the company does not produce or provide content related to professional development that is relevant or beneficial to members. This includes the risk that the company is unable to plan and execute events in a manner that meets or exceeds stakeholder expectations.
Customer service and experience	The risk that organization's customer care services are not routinely evaluated and measured against stakeholder expectations in order to consistently meet or exceed expected performance/satisfaction levels. This also includes the risk that the organization is not able to build, maintain and manage satisfactory relationships with it's customers.
Product innovation & development	The risk that the company does not adequately conduct product research and development to forecast, recognize or respond to new or evolving member/profession expectations and needs. This includes product/service innovation, ongoing product management, product evaluation and ensuring product/service performance.
Performance metrics	Failure to identify appropriate metrics and periodically assess performance, quality and adherence to the standards as set forth by the company.
<b>8. Sales &amp; marketing</b>	
Marketing	The risk that the company does not adequately market and sell products and services to meet growth and margin targets; or that marketing and sales practices are out of touch with the current market dynamics, internal client/HR profession needs or distribution channel dynamics. This includes sales and marketing strategy (market research, brand management), and marketing processes.
Business development	Failure to effectively maintain or increase membership, including maintaining or increasing sales of products/services to support the company's growth objectives.
<b>9. Hazards/Business Continuity</b>	
Business interruption	The risk that the company cannot sustain critical operations and provide essential products and services during catastrophic events without the company incurring unnecessary operating costs. This includes updated, tested and refreshed business continuity plans and business resumption strategies for data and processing capabilities.

# Operational Risk Definitions

Operational risks	
<b>9. Hazards/Business Continuity (contd.)</b>	
Catastrophic loss	The risk that an event occurs, that impairs the company's capability to sustain critical operations, provide essential products and services, or causes the company to incur additional operating costs due to controllable events such as sabotage, fire, high litigation costs, significant investment losses, business fraud, etc. or uncontrollable events such as war, terrorism, earthquake, severe weather etc.
Crisis management	Failure to communicate the right message in an effective manner to recover and maintain business operations in the event of a crisis or disruption due to physical or natural circumstances.
<b>10. Information Technology</b>	
Application development	The risk that the company fails to develop software applications that meet the needs of the business or that development of those applications does not meet time, cost or quality criteria. This risk applies to both internal and external stakeholders.
Data governance/ Integrity	The risk that data integrity (e.g., completeness, accuracy and accessibility) is compromised as it is captured, processed, stored, summarized or reported by the various systems deployed by the company. This also includes the risk that there are no mechanisms in place to define an enterprise-wide strategy for data, including data architecture, data integration or metadata management (including the proper use of data for analysis).
Infrastructure/ architecture	The risk that the company does not have a scalable and flexible information technology infrastructure to capture, retain and transfer data in a secure and reliable environment that meets the business' needs at a reasonable cost. This risk also includes inadequate systems infrastructure to support the current and future achievement of strategic business objectives, inconsistent approaches to IT infrastructure within the organization or the inability to adequately integrate legacy systems. This also includes the risk that the company does not have a mechanism to track or monitor routine processes or address technology issues that may be impacting internal or external stakeholders in a timely manner.
IT security & privacy	This risk includes the failure to protect the company's data by securing access to IT systems and applications, or allowing unauthorized parties to obtain confidential employee, member or operations data. This risk includes inadequate identity and access management, and the failure to protect the company from viruses or sabotage, due to lack of testing and monitoring for vulnerabilities.
Intellectual property management	The risk that the company does not have effective and efficient processes for capturing, institutionalizing and protecting (e.g., patents, confidentiality agreements) sources of knowledge and intellectual property across the organization. This also includes the risk that the company's documentation practices (i.e., the generation, storage, retention, retrieval, distribution, disclosure and destruction of electronic or paper documents and verbal communications) do not serve and protect the company's interests. This also includes the risk that the company is unable to protect proprietary rights to databases and related products.
IT strategy	IT directly or indirectly fails to optimize the growth or other strategic imperatives of the business.

# Operational Risk Definitions

Operational risks	
Social media	The risk that the company does not have effective governance or policies in place in regards to the use of social media - internally and externally - to prevent reputational damage, member/potential member dissatisfaction, disclosure of proprietary information, and exposure of sensitive information.
<b>11. People</b>	
Accountability	The risk that the company does not assign or establish clear accountability and responsibility for the execution of key strategies, processes and enabling technologies and does not establish appropriate reporting relationships and authorization protocols. This also includes the risk that accountability is not appropriately enforced due to a lack of adequate monitoring or appropriate consequences.
Career development	Inability to develop and enhance employee skills and provide performance management that ensures optimal achievement of personnel and organizational strategies, goals and objectives.
Compensation & benefits	Failure to compensate and provide benefits to employees that align with employee expectations and the competitor environment, and that incent employees to perform their job function at an optimal level.
Culture	Inability to create and instill the accepted norms of behavior that guide employees to the desired performance and conduct.
Recruiting & retention	The risk that the company fails to attract and retain employees with the requisite knowledge and experience. This risk includes failure of the on-boarding process, excessive recruitment costs and the ability to hire and retain high-performing individuals.
Succession planning	Failure to create and implement a succession plan for key company positions and employees.
Skills & competencies	The risk that leadership and/or employees do not have adequate skills or competencies to achieve business objectives.
Leadership continuity	The risk that the company has not established competencies or does not place emphasis on developing competencies required for key leadership positions, in order to ensure leadership continuity.
<b>12. Physical assets</b>	
Real estate	The failure to capitalize on growth opportunities, rationalize the real estate base, expand the real estate portfolio or initiate a change in strategic or operational direction. Also includes the failure to adequately invest in and/or fund new real estate activities (e.g., new buildings, renovations at existing facilities).
Facilities maintenance & performance	Failure to adequately fund repairs to existing facilities. This also includes the risk of an ineffective strategy around leased assets.



# Operational Risk Definitions

## Operational risks

### 12. Physical assets (contd.)

Inventory	Failure to provide physical protection and stewardship over inventories while minimizing obsolescence etc. This also includes the failure to manage inventory to optimum levels.
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### 13. Relationships

Vendor management	The risk that the company's internal and external service providers may not adhere to the company's policies, regulatory requirements or service agreements. Also includes the risk that the company is 1) unable or unwilling to form advantageous partnerships or that it does not select its partnerships through the use of appropriate due diligence procedures, 2) does not monitor the partner's performance against agreed service levels or 3) does not have appropriate contingency plans in place.
External fraud & abuse	The risk that the company does not adequately detect and mitigate external (e.g., member, vendor) fraud and abuse. This risk includes avoidance and recovery of dollars from identified fraudulent activity.
Affiliates	The risk that the company has inefficient, ineffective or poorly managed relationships with its affiliates, that impede the company from achieving its intended objectives.

# Legal, Regulatory & Compliance Risk Definitions

Legal, Regulatory & Compliance risks	
<b>14. Compliance/code of conduct</b>	
Compliance	The risk includes the company's failure to identify and prevent legal risks posed by the company and its products and services, as well as vendors, through non-compliance with local, state and federal guidance or regulatory requirements. This also includes the risk that the company's records and information management practices do not protect the company's interests.
Ethical behavior	The absence of formal standards of employee behavior that are intended to direct and influence the way business is conducted, above and beyond the letter of the law.
Internal fraud, waste & abuse	The risk that the company does not adequately detect and mitigate risks associated with internal fraud and abuse. This risk includes avoidance and recovery of dollars from identified fraudulent activity.
<b>15. Legal</b>	
Intellectual property	Failure to define required parameters around the creation, capture, enhancement, leverage and protection of the collective knowledge, expertise and ideas of the company.
Legal/litigation	The failure of a responsibility, duty or obligation that may result in lawful consideration to provide satisfaction, compensation or other form of restitution. This includes the risk of various litigation actions, which, if resolved unfavorably, could result in substantial penalties and/or monetary damages and adversely affect the company's financial position, results of operations and cash flows.
Copyright infringement	The risk that the company has no processes to prevent or detect the unauthorized use of the organization's works that are under copyright, within reasonable extent. This includes the risk that the company does not or is unable to pursue significant damages related to infringement.
Contract commitment	The risk that the company's contracting practices or structures do not protect the company's interests from a financial, operational, strategic or legal perspective, are not negotiated consistently with proscribed policies, or are not reviewed or authorized timely.
<b>16. Regulatory</b>	
Health & safety	Failure to identify and prevent legal risks posed by, and prevent non-compliance with, federal/state/local and international rules and regulations for health and safety.
Regulatory response & reporting	The risk that the company's response process to regulators (data requests, filings and examinations) is inaccurate, inconsistent or untimely, creating reputation, relational or financial risks. This includes the risk of errors or gaps in statutory or other required regulatory reporting by the company, which results in fines and reputational damage, as well as sub-optimal business planning.

# Legal, Regulatory & Compliance Risk Definitions

## Legal, Regulatory & Compliance risks

### 16. Regulatory (contd.)

International	Exposure to geo-political, regulatory and fraud risks via international business dealings.
Laws/regulations	Failure to identify and prevent legal risks posed by, and prevent non-compliance with, state/local and country-specific regulatory requirements.

# Financial Risk Definitions

## Financial risks

### 17. Accounting & reporting

Accounting	The risk that the company has not established appropriate procedures to capture, record, process and monitor all relevant information for proper financial reporting, disclosure and accounting practices.
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Delegation of authority	The risk that policies governing approval for expenditures and binding authority are not properly adhered to. Also includes the risk that the company does not appropriately establish and assign clear authorities, limits and boundaries.
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### 18. Liquidity & credit

Administrative costs	Failure to adequately track and manage costs associated with administrative activities.
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Cash management	Failure to efficiently and effectively administer and manage cash flows. Inability to maintain adequate cash flow and liquidity position to pay obligations and fund the operations/growth of the company either through internal or external sources.
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Insurance	Insurance coverage fails to protect the organization from significant financial losses due to controllable/uncontrollable incidents.
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Investment activities	Failure to analyze the structure of, and to acquire, securities to increase cash and/or capital to support operations and increase income. Failure to properly evaluate risks associated with investments/security holdings. Failure to identify and adequately evaluate non-traditional investment opportunities (e.g., real estate, private equity, venture capital) to increase portfolio diversification.
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### 19. Revenue cycle

Billing & collections	Failure to appropriately identify, apply, reconcile and report charges and revenue completely and accurately based on member benefits, contract terms, etc.
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Pricing	The risk that the company's pricing strategies are not based on market intelligence and other systematically obtained member-focused information, resulting in prices or rates that members are unwilling to pay or do not cover the costs and risks undertaken by the company.
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<b>Risk:</b> Technology		<b>Owner:</b> Mohny
<b>Description</b>		<b>Probability</b>
Technology will not engage the audience leading to loss of audience and mission impact.		High/Medium/Low
<b>Description</b>		<b>Impact</b>
Technology is not secure resulting in a loss of information and credibility with our audience and staff.		High/Medium/Low
<b>Description</b>		<b>Impact</b>
Technology is not available for use.		High/Medium/Low
<b>Mitigating Activity</b>	<b>Status</b>	<b>Owner</b>
Systems are hosted in the cloud with a separate back-up completed nightly with all technology vendor contracts including 99% up time or higher.	Back-up last tested June 12, 2021.	Brodsky/Johnson
Business continuity plan exists and is tested annually including a communication plan.	Tested and updated June 2, 2021.	Mohny
An annual security audit is performed annually.	Last tested in April 2020 with all remediation items completed in November 2020. Next audit scheduled for July 2021.	Johnson
Security and privacy standards, including GDPR and PCI, has been implemented and is reviewed semiannually for compliance.	Quarterly PCU scans have been completed and GDPR requirements were reviewed in March 2021.	Brodsky/Johnson
A new contractor has been hired to assess user experience.	Contract scheduled to start in July 15th.	Brodsky
A Digital Council has been implemented to vet new ideas and prioritize technology projects.	Council was implemented in May 2021. Council reviewed the roadmap and approved a new survey product.	Mohny