

Majority of Executives Still Consider Their Risk Management to Be Inadequate – Oliver Wyman / Financial Times Research Study

NEW YORK, July 1, 2010—Three years after the July 2007 subprime mortgage meltdown triggered the global financial crisis, most executives still consider their firms' risk management practices to be inadequate, a survey of 650 senior executives shows.

The recent global study, conducted by Oliver Wyman with the Financial Times, reveals that most executives believe they are "ineffective" or only "moderately effective" at incorporating emerging risks into their decision making. Other study highlights include:

- Over 60% of executives surveyed are dissatisfied with their firms' risk management.
- Many boards of directors receive emerging risk information only infrequently.
- Many executives do not consider externally generated risk indicators when identifying risks.
- Most firms do not prepare for potential threats that are seemingly unrelated to their businesses (e.g., Icelandic volcanic ash and the H1N1 flu).

"I'm surprised at how little progress has been made. So many companies have worked to improve their risk management practices since the financial crisis started," says Oliver Wyman partner Alex Wittenberg. "Yet many of the current approaches to managing emerging risks are not providing companies with the business information they need, leaving many vulnerable to a wide range of potential sudden shocks."

About Oliver Wyman

Oliver Wyman's Corporate Risk consulting practice works closely with leading organizations to effectively manage risk, enabling them to make risk-adjusted strategy, investment, and capital allocation decisions that improve performance and optimize value creation.

With more than 2,900 professionals in over 40 cities around the globe, Oliver Wyman is an international management consulting firm that combines deep industry knowledge with specialized expertise in strategy, operations, risk management, organizational transformation, and leadership development. The firm helps clients optimize their businesses, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman is part of Marsh & McLennan Companies (NYSE: MMC). For more information, visit www.oliverwyman.com.

About the Financial Times

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