

Research and Risk Management

Managing Risks Across a
Diverse Research Institute



Current Operations

- Independent, nonprofit research and development dedicated to *improving the human condition*
- 3,800 professionals supporting projects in more than 40 countries
- Four major business units, four different markets
 - International Development Group
 - Social & Statistical Sciences
 - Health Solutions
 - Science & Engineering
- Annual revenue of over \$700 million in 2008



Getting Started

- 2005 – RTI’s Enterprise Risk Management program was established
 - Board of Governors appointed Treasurer Ward Sax as Chief Risk Officer
 - Jennifer MacKethan hired as department manager
- ERM launched the 2006-2007 Risk Assessment Cycle
 - Surveyed more than 10% of RTI population, from department Senior Managers to the CEO
 - 86% response rate

Fine-Tuning the Approach

- Targeted key knowledge holders to fine-tune the scope of the assessment
 - 30 management interviews
 - Strategic management focus group review
 - 2 Executive Leadership focus group sessions
- Assessed risk areas against four specific risk criteria
 - Significant financial impact
 - Loss of client relationships
 - Significant legal liability
 - Personal harm or loss of life

Types of Risks Identified

- Internal Controls
- Records Retention
- Policies & Procedures
- International Business
- Foreign Travel & Safety
- Adverse Health & Safety Events
- Human Resources
- Clinical Trials & Related Work

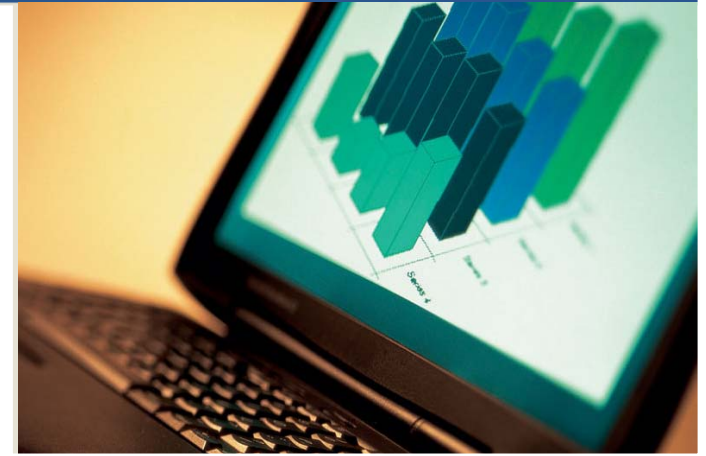


Cross-Institute Effort

- Accounting
- Corporate Communications
- Corporate Counsel
- Corporate Security
- Export Compliance
- Facilities Services
- Human Resources
- International Security
- Insurance
- Internal Audit
- Operations
- Recruiting
- Research Protection
- Regulatory Compliance
- Treasury
- Workplace Safety
- Research Groups
 - Health Solutions
 - International Development
 - Science & Engineering
 - Social & Statistical Science

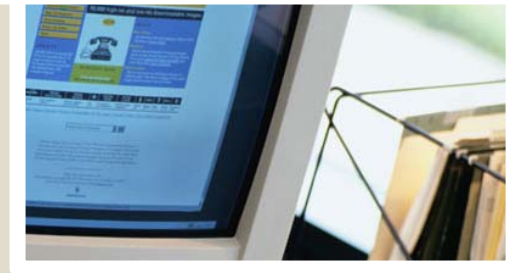
Sample of Accomplishments

- Incorporated risk management criteria into policies and procedures
- Revised and standardized health, safety and security plans
- Designated a Chief Medical Officer
- Enhanced employee tracking during foreign travel
- Enhanced online proposal system to include a risk assessment section to notify key risk supervisors early in the bid process of items that may require review.



Additional Departmental Activities

- Oversee 3-4 ad hoc risk assessments per week
- Risk Management Committee
- Developed an ERM website with tools, resources to assist in project risk assessment



Conclusion and Next Steps

- 2008-2009 Risk Assessment Cycle underway
- Risk Supervisor Working Group Meetings
- Enterprise Risk Management Dashboard

