

COMPLIANCE, RISK & RESILIENCE: **STRATEGIC RISK REVIEW**

Organizations that over-rely on their enterprise risk management (ERM) programs with a compliance-driven approach can easily fail to capture risks that may be difficult to discern, but could negatively impact long-term strategy success.

For example, the risk of a pandemic has been on the radar for years. The World Economic Forum's Global Risk Report has listed pandemic risk for over a decade as a likely event. The problem with pandemic risk is that, although it has occurred before over the last 20 years, the political, social and economic impact is not easily quantifiable until long after the event. Additional "known-unknown" risks, those that we have identified that have non-assessed consequences (such as political unrest and economic recession), have only added to rapidly changing ways companies must engage their employees, customers, and stakeholders. One result is that the strategic and operating landscape for organizations worldwide and entire industry sectors are currently in an accelerated transitional phase that will change how they manage risks with complex interdependencies.



The looming questions companies should be asking are:

1. What other strategic risks and uncertain risk patterns do we face that are not adequately represented on our risk register?
2. Is our risk assessment process giving our leadership team both accurate visibility into strategic risks we face and sufficient value as an effective decision-making and management tool?

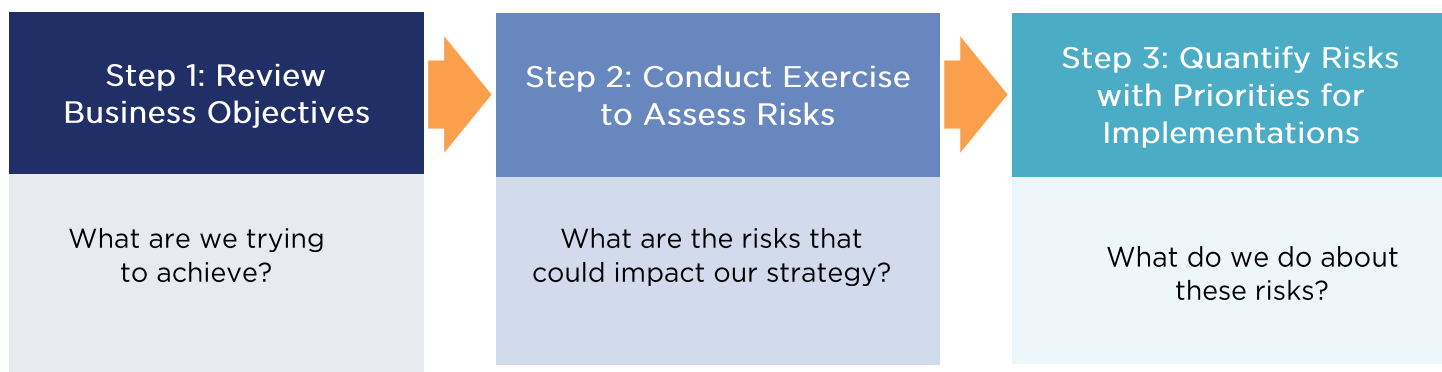
A STRATEGIC RISK REVIEW

To help our clients answer these questions, we have developed the Strategic Risk Review. This strategic method for conducting risk assessments ensures that no key risks are left unidentified. Our approach is an improvement to traditional risk assessments and links the risk identification and assessment to the achievability of corporate business objectives. Most organizations were not ready for the direct and indirect impacts of the COVID-19 pandemic because the risk registers were conceived and compiled incompletely. They relied on a traditional audit mentality that focused on compliance to the comparative detriment of strategic uncertainties.

Our approach goes beyond compliance and helps companies identify their risks through a focus on current and emerging strategic uncertainties that can foreseeably impact if and how they can execute their business strategy. We take into account not just direct, but also contingent causation. Our methodology produces (1) a consensus view from leadership on the achievability of business objectives and (2) a priority risk register on current and emerging risks where management action is required.

Our Strategic Risk Reviews produce powerful, actionable results quickly and effectively. We deliver these assessments through facilitated half-day workshops that engage the management team and foster discussion that focuses on how to achieve organizational objectives through a risk-adjusted lens, using live polling/voting software. The process produces risk registers that are immediately relevant to management decision-making, resource allocation and investment processes. We have specifically designed this approach to be cost-effective and suitable for companies of all sizes, public or private.

THE STRATEGIC RISK REVIEW WORKSHOP



To execute this review, our team works exclusively from your current business objectives and risk register. The workshop actively engages the leadership team in a collaborative approach to achieve salient results, visualizes the results and gains consensus on risk priorities. The final written report gives management a focused risk register based on risk implications to strategic realization of the organization's trajectory and a pulse on the achievability of business objectives in the current and likely risk environment.

THE B. RILEY DIFFERENCE

Our ERM experts come from backgrounds in risk management, insurance and brokerage, business continuity and disaster recovery, crisis management and cybersecurity. They regularly work on ERM programs and initiatives across sectors as diverse as power utilities and critical infrastructure, real estate, technology, manufacturing, insurance and energy. We help our clients' chief risk officers, senior management, and board risk committees to de-mystify ERM and help them think through how to integrate ERM as a natural element of planning, growth and operations. We encourage clients to think about risk in unique ways that can distinguish their organizations by embracing and exploiting risks as competitive advantages.

PRACTICE LEADER

Duane Lohn
dlohn@brileyfin.com
(602) 321-9818

Corey Gooch
cgooch@brileyfin.com
(312) 925-8550

ABOUT THE FIRM

ABOUT B. RILEY ADVISORY SERVICES

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Our team works with lenders, law firms, government entities, private equity sponsors and companies of all types. Our Advisory Services are a unique mix of Compliance, Risk & Resilience Services, Valuation and Appraisal Services, Restructuring and Turnaround Management, Operations Management Services, Forensic Accounting and Litigation Support and Transaction Support Services including Due Diligence and Quality of Earnings Reviews. B. Riley Advisory Services is a combination of the firms formerly known as GlassRatner Advisory & Capital Group and Great American Group.

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