

# STRATEGIC RISK ASSESSMENT FOR SPORTS ORGANISATIONS



International federations, national governing bodies, organisations and associations in sport have a very complex risk profile and therefore require world-class advice when it comes to risk management. Marsh’s Global Sports and Events Practice and Marsh Risk Consulting have experienced specialists who understand the risk management needs of sports organisations and who have successfully delivered strategic risk assessments and developed risk management frameworks.

A strategic risk assessment delivers wide-ranging financial and operational benefits to organisations. By operating in an environment where its risks are fully understood and appropriately controlled, sports organisations can focus confidently on achieving their goals – developing the sport, maximising event success and ensuring stakeholder confidence.

## HOW MARSH CAN HELP

A strategic risk assessment is a structured methodology to identify, evaluate, and rank risks facing the organisation (not just insurable risks).

A typical methodology is outlined here:

## RISK MANAGEMENT PROCESS



Output from the strategic risk assessment includes:

- Risk registers/risk maps.
- Risk management frameworks.
- Risk management policies and procedures.
- Risk management groups – roles and responsibilities/terms of operation.
- Risk action plans.
- Risk training/risk workshops.

Benefits from the strategic risk assessment include:

- Reduced total cost of risk.
- Wider understanding of key risk exposures within the organisation.
- Clear strategy on risk action planning/risk mitigation.
- Enhanced stakeholder confidence in governance of the organisation.

## CASE STUDY

The governing board in a major sports sector developed a seven year strategic plan with the aim of running the organisation to the equivalent standards of a public limited company. This meant that not only did it require strategic risk assessment but it also needed to take account of corporate governance issues.

Marsh was asked to identify its significant exposures and its risk tolerance, and then to rank the risks against its risk tolerance and also against each other. Marsh was also asked to assess risk control procedures, making specific recommendations to reduce risks and develop and enhance risk management initiatives.

Marsh interviewed 12 members of the senior management team and conducted a risk assessment workshop. In addition Marsh undertook a review of all key documentation, surveyed sites, and looked at existing operational procedures.

During the course of the strategic risk assessment, Marsh identified 87 different areas of exposure, ranked these according to significance and was then able to prioritise the issues and recommend appropriate mitigation strategies.

The strategic risk review took six months to complete. Following this, Marsh helped the client establish a risk management group with detailed action plans for each member corresponding to the focus areas within the board's strategic plan. This means that the client's ongoing risk management initiatives are aligned with its overall strategic objectives.

Marsh is continuing to assist the client in achieving its stated strategic objectives and to promote risk management within the organisation by contributing to its risk management group.

## MARSH'S EXPERIENCE

- International federations.
- National governing bodies.
- Sports organisations.
- Sports teams.
- Sports venues.

## CONTACTS

For more information about sport and events and other solutions from Marsh, visit [marsh.com](http://marsh.com), or contact your local Marsh representative.

**WARREN HARPER**  
Global Sports and Events  
Practice Leader  
+1 404 995 3556  
+1 404 200 7878  
[warren.h.harper@marsh.com](mailto:warren.h.harper@marsh.com)

**RICHARD TOLLEY**  
EMEA Sports and Events  
Leader  
+44 121 623 1389  
[richard.n.tolley@marsh.com](mailto:richard.n.tolley@marsh.com)

**JON C. GORMAN**  
Senior Vice President  
+1 404 995 2542  
[jon.c.gorman@marsh.com](mailto:jon.c.gorman@marsh.com)

**PATRICK VAJDA**  
Sports & Events Practice -  
Senior Risk Advisor  
+33 6 87 60 80 80  
[patrickvajda.  
externalconsultant@marsh.  
com](mailto:patrickvajda.externalconsultant@marsh.com)

**LAURENT VAJDA**  
Sports & Events Practice -  
Special Risk Advisor  
+33 1 41 34 56 86  
[laurent.vajda@marsh.com](mailto:laurent.vajda@marsh.com)

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