



Standard Risk Management Engagement

Purpose:

1. To maximize profits in your organization by ensuring the Marketing/Sales team works effectively with the Credit/Accounting (Risk Management) department in order to sell the most amount of your product or service to your **BEST** customers;
2. To lower the costs of your current insurance strategies; and
3. To remain proactive and build momentum regardless of the industry or economic cycle, by building consistent decision making and communication systems throughout the organization.

Process:

1. Third Rock Risk Management Inc. (TRRM) provides a confidential assessment by having the CFO (or designate) complete a comprehensive questionnaire. This will enable TRRM to assess the engagement required in order for the organization to maximize its potential sales and risk strategy.
2. TRRM provides a detailed proposal on the engagement. Each engagement will have the following components, and can be customized to fit each organizations requirements:
 - a. Risk Questionnaire to be completed by every member of the Senior Management Team or all employees directed by the CFO/CEO;
 - b. Either two half day sessions, or one full day session with Senior Management will be required for TRRM to gain more perspective/context around the risks facing the organization;
 - c. TRRM will then use the material gained from the questionnaires and the information sessions to build the fundamental templates (tools) required for any risk adjusted sales function. The tools include:
 - i. **Risk Register** – Detailed breakdown of each material or “enterprise” risk facing the organization. Standard ERM training provided;
 - ii. **Action Plan** – A separate strategic plan (one pager) is developed for each unique risk identified by Management in order to mitigate or reduce the likelihood and impact of the risk should it occur;
 - iii. **Credit Risk Scoring Model** – Each customer is assigned a risk number based on scoring model that is approved by Management. Once all customers have been



entered into the model, the portfolio risk can be established. Once the Portfolio risk is determined, this can be used to reduce insurance premiums at the next Annual Policy Review for each respective insurance company or through an insurance agent. The insurance company will see that their perceived risk has decreased based on this in-house risk management process, and will have to consider reducing premiums; and

- iv. **BEST Customer Scoring Model** – Only when Marketing/Sales and Credit/Accounting staff operate under an approved **BEST** Customer Model, can the company capitalize on selling the most amount of its product or service to its best customers. Any company that masters this process will gain long term competitive advantage in their respective industry.
3. Once the tools are in place, TRRM can work with the designated “Risk Manager” within the organization and teach them how to maintain the department going forward.
 4. The designated Risk Manager can then work with Senior Management to implement the overall Sales-Risk Strategy for the organization.

Timing Requirements:

Based on the commitment from the organization and the designated Risk Manager, a standard engagement can be completed within 3 to 4 weeks.

Investment:

Each project can be customized to meet your needs and budget. Total investment for a fully integrated risk management department depends on the services you require, but you receive instant savings by **lowering your cost of insurance**. We can work on a flat fee basis, contingency (based on the % of insurance savings) or a combination of both. Adding this dimension to your organization will enable you to maximize sales to your **BEST** customers, coordinate internal systems, and build infrastructure to meet long term corporate objectives.

Guarantee:

TRRM guarantees that this process will improve sales-risk efficiency and reduce insurance costs for your organization and will fully stand behind its work. If you are not completely satisfied with the service, TRRM will work with you until your expectations have been met.

For more information, please contact Alon Zack, Chief Advisor, at: azack@thirdrockrm.com, or call (306) 717-6578.