



**BRG Sponsored IRM Student Of The Year Award  
Ceremony**

**& Launch Of The IRM Turkey Regional Group**

Presentation By John Keating  
Prizewinner

IRM International Diploma in Risk  
Management 2007

Australian Consulate General, Istanbul  
18<sup>th</sup> April 2008

# Risk Management in Turkey

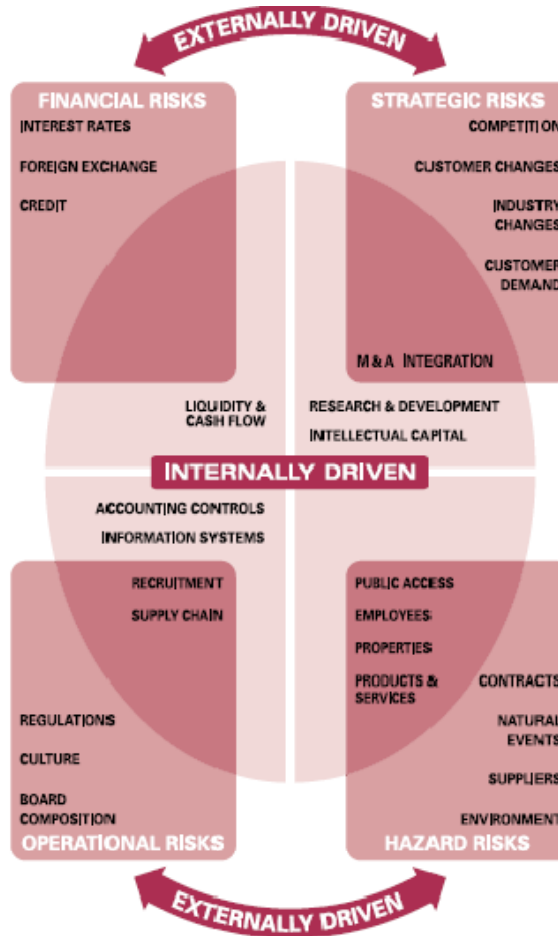
- **How Risk Management Might Help Turkish Enterprises Doing Business in the European Union and Globalised Environment.**
- **Development of Risk Management Profession in Turkey.**
- **Overview of Research Paper & Comparison with Findings from This Week.**

# **Economic Backdrop & Business Environment**

**Radical reforms introduced following 2001 banking crisis;**

- **Tight monetary policy, stable exchange rates and reduced inflation.**
- **Reduced public sector borrowing and budget deficits.**
- **6-8% economic growth per annum since 2001.**
- **Increased, productivity, foreign trade/investment and economic growth.**
- **Privatization of key infrastructures.**
- **Public sector reforms.**

# Sources & Drivers of Key Risks (1)



# Sources & Drivers of Key Risks (2)

Analysis Framework - “*Risk Management Standard, (2002)*”

## Financial Risks

- International, economic and political volatility.
- Interest rate, foreign exchange and credit risks.
- Transparency & governance in banking sector.

## Strategic Risks

- Competition, customer & reputation risks?
- Changes from privatisation & structural reforms.
- EU accession – infrastructural “opportunity risks”?
- Skills shortages & wage inflation pressures?

# Sources & Drivers of Key Risks (3)

## Operational Risks

- Corporate governance & transparency?
- Lack of influencing scope for institutional investors?
- Entry to EU single market – regulatory & environment?

## Hazard Risks

- Terrorism
- Earthquake
- Other physical risks (mostly insurable?)

# Risk Management Benefits

- **Identify, assess and manage uncertainties, minimise volatility.**
- **Improved decision making, planning and prioritization.**
- **Efficient use of capital and resources.**
- **Increased competitiveness.**
- **Accountability & transparency to stakeholders.**
- **Culture & behaviours to support long-term business sustainability.**

# Development of Risk Management?

## Contemporary business leaders' concerns;

- **66% of Turkish finance professionals stated “Risk Management” as key concern in 2007 Euro Finance poll.**

## Influence of National Culture;

- **Hofstede concluded Turkish culture has preference for certainty over uncertainty.**
- **What about Turkish entrepreneurial culture?**
- **More research??**

# Summary

- **Risk Management reviewed for organisations in various sectors - banking, telecoms, food and conglomerates.**
- **Risk management programmes at various stages of development.**
- **Driven by variety of influences – governance, insurance, disaster planning.**
- **Programmes tend to be focussed in key risk drivers – financial risk predominates but physical risk also important.**
- **Challenges in implementation – resistance to change?**
- **Sometimes risk management already done informally.**
- **The Future – Enterprise Risk Management?**

## Conclusion...

- **Questions?**
- **Many thanks for your time and interest today.**
- **Thank you for your kindness and hospitality this week.**
- **Thanks to Nihan Erdogan for organising events.**
- **Special thanks to BRG for sponsorship of award and this week's trip.**



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