



## Best Practices Series

# Outsourcing Enterprise Risk Management



**All organizations are faced with significant overhead cost for their operations, particularly in these economic times. Successful firms who don't want the expense of a full time risk manager are employing a cohesive team of outsourced risk managers to complete highly specialized tasks that their staff cannot complete.**

### Recent Findings

For a typical enterprise, qualified help is very hard to find today. Add to that the complexities of the strategic, financial, operational, and hazard risk landscape, and you could have a possible recipe for disaster.

Most firms turn to their attorney, accountant, and broker for advice to steer them through the daily business risk management process. More and more firms are turning to highly specialized, cost-effective risk solutions to drive earning and asset valuation improvements. By employing these solutions, they are gaining dramatic cost savings of 10-40% from the traditional risk management approaches.

### Key Solutions

Evidence has shown that there are five key areas of risk management that will drive earnings and asset value improvement.

- Consistent, broad organizational goals to “capture” risk for decision-making, with the ultimate goals of increasing earnings and improving asset valuations.
- Annual bidding of the risk finance programs with a highly specialized and focused approach for their type of business. The bid process should consist of separately analyzing every service provider (Broker, Third Party Administrator, Insurer, etc.), and should be appropriately benchmarked with independent data.
- State-of-the-art claim management with continuous reserve management.
- Retention of a qualified, experienced team of multi-disciplinary medical, financial, claim, and legal resources with significant experience in risk management to compliment the existing staff.

- Service quality and technology dedicated to carefully managing and ensuring excellence throughout the process.

While many organizations employ a variety of professionals to assist in managing risk, few have highly qualified resources to execute the risk management strategies. The savings more than make up for the costs of these products and services, and the quality of the programs improve dramatically.

### About Blackburn Group

**Blackburn Group is an enterprise risk management professional service firm specializing in a variety of industries including outsourced risk management service. Our partners have over 30 years experience delivering advanced product and service solutions for the risk and insurance industries.**