



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS®

University of Alabama System

Looking Ahead...
Emerging and Undervalued Risks

JOHN MCLAUGHLIN

Learning Objectives

Higher education institutions are struggling to respond to any number of high profile, enterprise wide challenges and opportunities.

During today's session, participants will:

- Explore systemic and emerging risks facing higher education
- Engage in a group discussion to identify key emerging risks at UAS
- Engage in a group discussion to identify undervalued risks at UAS

What is Risk?

- Risk is omnipresent
- Risk can be a threat or opportunity
- **Risk = *the effect of uncertainty on your objectives***
 - ISO 31000, the international standard on risk management
- Risk is anything that could harm, prevent, delay or enhance your ability to achieve your objectives

Why We Need to *Manage Risk*

“The purpose of managing risk is to **increase the likelihood of an organization achieving its objectives** by being in a position to manage threats and adverse situations and being ready to take advantage of opportunities that may arise.”

National Guidance
on Implementing ISO 31000:2009
From NSAI in Ireland

Black Swans, Emerging & Undervalued Risks

Are they really Black
Swans?







Remember the
calamity of the
great tsunami.
Never build houses
from this point
down... No matter
how many years
pass, keep vigilance
high



Identification & Assessment of Emerging Risks and Undervalued Risks

Characteristics of emerging risks:

- High level of uncertainty
- Lack of consensus
- Uncertain relevance
- Difficult to communicate
- Difficult to assign ownership
- Often related to “business practice” issues

Characteristics of undervalued risks:

- They are recognized as a risk
- The risk may be evolving in complexity
- The risk may be a sacred cow
- The risk may have important revenue implications
- Usually have high reputational implications

Emerging Risks

- Loss of Federal Funding
 - NIH & NSF funding
 - Elimination of NEA and NEH
 - Reductions in funds for low income stds
- Traumatic Brain Injury
- Aging Workforce
- Concealed Carry
- Immigration Policies/Trump Administration



Emerging Risks

- Protection of People with Intellectual Disabilities
- Scientific Misconduct
- Diversity & Inclusion
- Retirement Plans/Fiduciary Liability
- Zika Virus/Infectious Disease



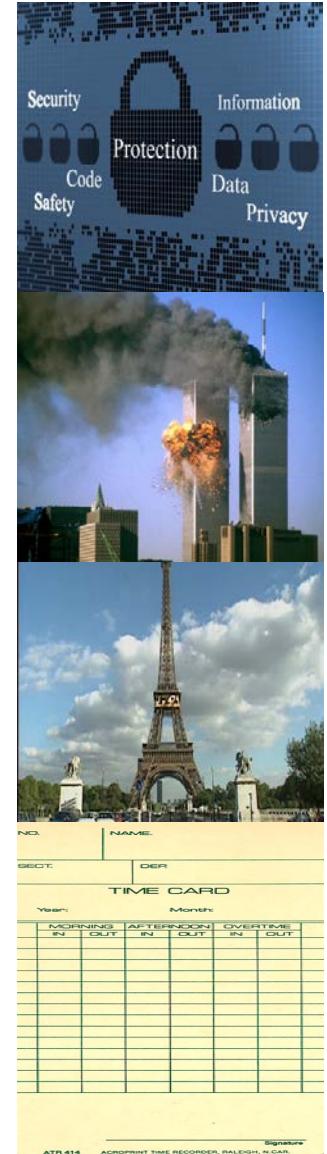
Emerging Risks

- Airbnb by employees/students
- Implementation of ERM procedures
- Drones



Undervalued Risks

- Sponsored Projects/Research
 - Financial accountability
- IT Related Risk
 - Social Engineering
 - Property Damage/Business Income
 - Contingent Business Income
 - Internet of Things – BI/PD
- Domestic & International Terrorism
- FLSA Exempt/Non-Exempt
- International Travel/Research
 - Research in Conflict Areas
 - Increased Terrorism in Europe
 - Connect the Dots
- Business Continuity/Crisis Response

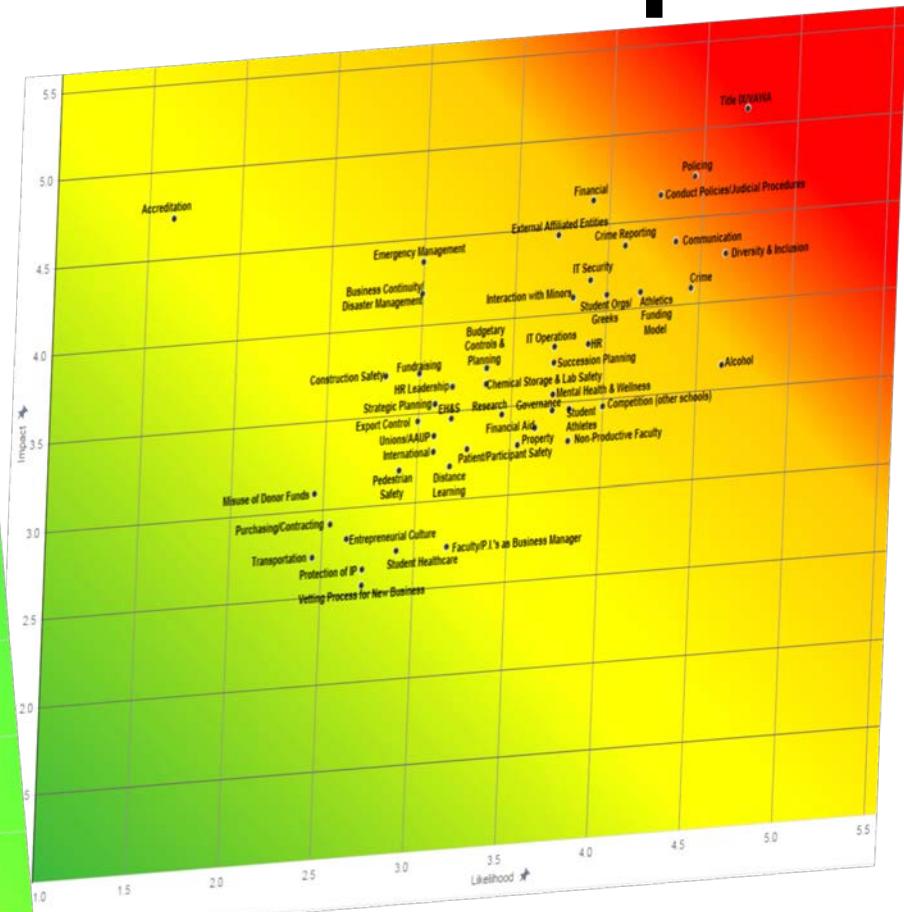
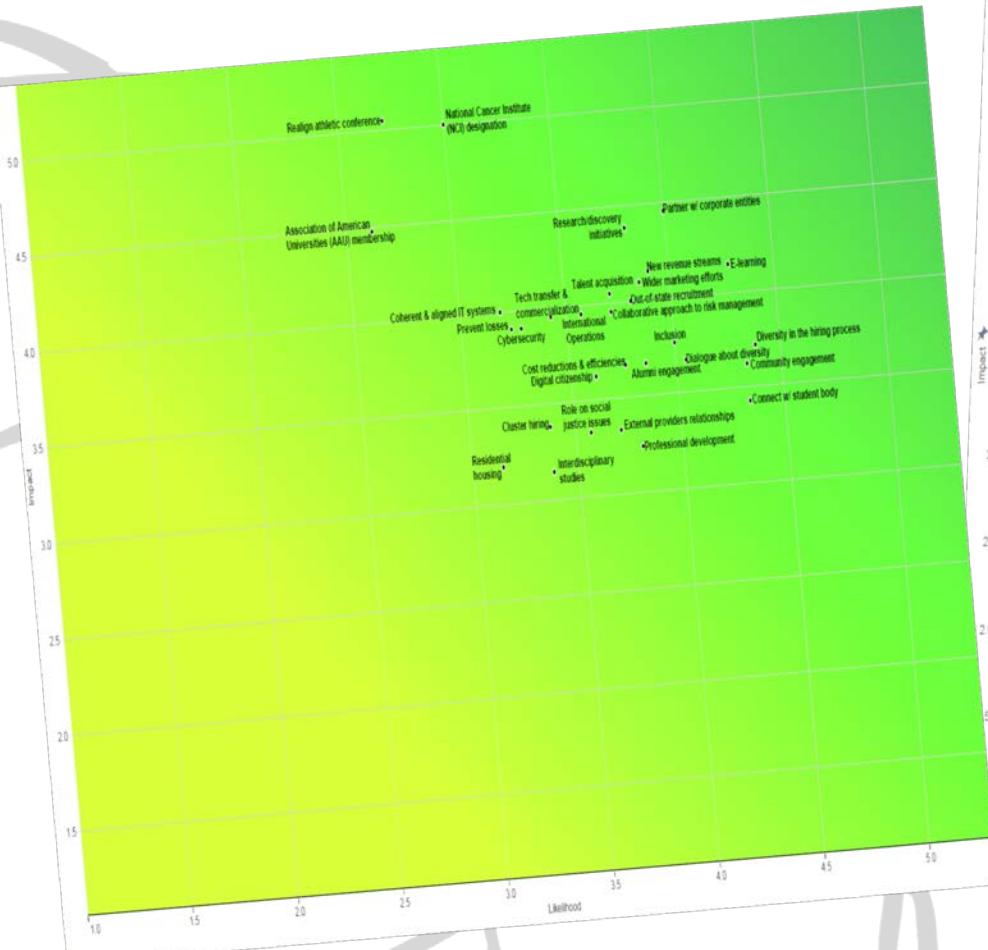


Undervalued Risks

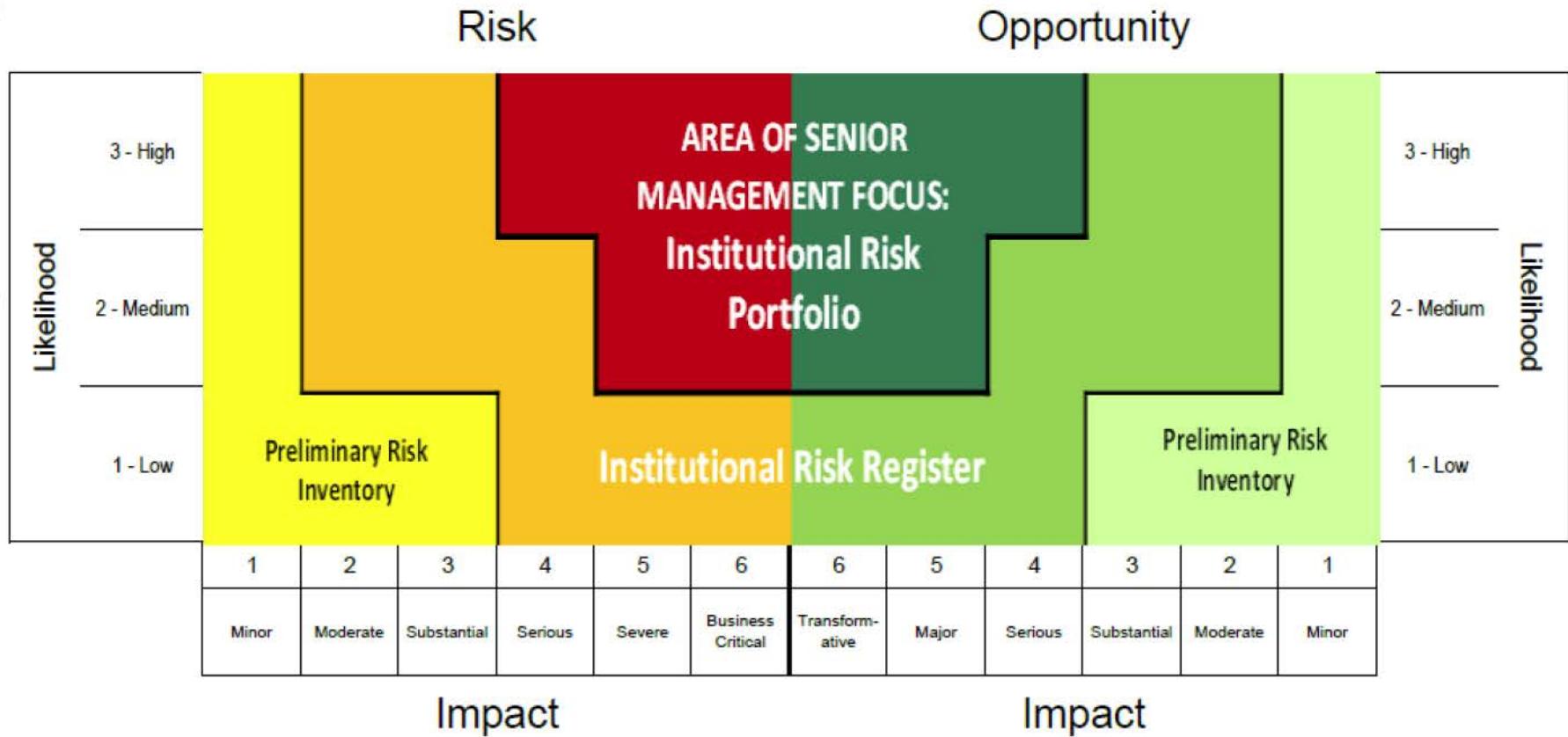
- Scientific Misconduct
- Minors on Campus
- Student Clubs



Opportunity & Risk Heat Maps



Risk and Opportunity/UVM



RISK IDENTIFICATION – EMERGING RISK				
Risk #	Risk Name	Likelihood (1-5)*	Impact (1-5)*	Trend Increasing Staying the Same Decreasing
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11	Other			

*1 - Least likely to occur, 5 - Most likely to occur

RISK IDENTIFICATION – UNDervalued RISK				
Risk #	Risk Name	Likelihood (1-5)*	Impact (1-5)*	Trend Increasing Staying the Same Decreasing
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11	Other			

*1 - Least likely to occur, 5 - Most likely to occur



Questions?



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Thank You

**John McLaughlin
Managing Director,
Higher Education Practice
Two Pierce Place
Itasca, IL 60143
john_mclaughlin@ajg.com
630-285-4312**

www.agj.com/highereducation