Analysis of Enterprise Risk Management and Macroeconomics PDF; Under the background of macroeconomic operation, with the continuous changes in the market environment; the risks faced by enterprises' business activities are becoming more and more complex. Whether it can effectively manage and control the potential risks existing in its business activities based on the existing material conditions; and technical support has become a more concerning issue for enterprise managers.

Here are the PDF articles to explain, the concept of Enterprise Risk Management and Macroeconomics Analysis!

Risk management is the process of identifying, evaluating, evaluating, and controlling risks in the production and operation activities of various economic and social units. It aims to effectively **manage the identified and evaluated risks** through the optimization and combination of various risk management techniques. , control, to achieve the goal of ensuring the healthy development of the unit with the minimum cost and maximum. In the context of macroeconomic operation, with the continuous changes in the market environment, the risks faced by enterprises' business activities are also becoming more and more complex. Whether it can effectively **manage and control the potential risks** existing in its business activities based on the existing material conditions and technical support has become a more concerning issue for enterprise managers.

Enterprise Risk and Risk Management;

Risk is the uncertainty between the purpose of production and the outcome of labor; and, there is no unified view in the academic community on the definition of risk. In American economist Frank Knight's 1921 book "Risk, Uncertainty, and Profit", Knight conducted a pioneering study of risk and proposed that "risk is a measurable uncertainty" This classic definition. There is a certain difference between this definition and the concept of risk at the general cognitive level. From the perspective of economic entities, no matter whether the uncertainty of risk is measurable or unmeasurable; there is no doubt that it is closely related to the loss of economic entities.

In addition, when different scholars define the concept and connotation of risk; there are problems such as different levels of cognition and different research angles; so there are certain differences in the conclusions, but they can summarize in the following viewpoints; Risk is a The uncertainty of the possible future results of an event; risk is the uncertainty of the occurrence of losses, and risk is the size of the loss; also, the risk is the size of the loss and the possibility of occurrence; risk is the result of the interaction of risk components. Risk management is a management process that minimizes the possible negative impact of potential risks during business operations or project development.

The "Enterprise Risk Management - Overall Framework" promulgated by COSO in September 2004 defines enterprise risk management as follows: Implemented by an enterprise's board of directors, management, and others, applied to strategy formulation and throughout the enterprise, to identify potential matters that may affect the development of the enterprise, manage such matters, and bring them within the enterprise's risk tolerance, and then serve the enterprise. The realization of development goals provides certain guarantees.

ERM framework;

According to the ERM framework proposed by COSO, enterprise risk management should include the following points:

First, risk management is a series of behaviors permeating the production and operation activities of an enterprise; and it is commonly found in daily management; second, management behaviors are caused by Personnel at all levels of the enterprise; who is responsible for implementation, and relevant managers need to take the overall goals of the enterprise; as the starting point to accurately identify the risks existing in business activities; thirdly, when formulating risk management plans; the top management of the enterprise needs to fully consider the risks of different strategies.

Related risks; Fourth, risk management should consider various business activities at the headquarters level; and from a global perspective to ensure that management behaviors run through the entire enterprise; Fifth, risk management needs to accurately identify potential risks that may affect the normal production, operation, and development of the enterprise. Based on various risk assessment and identification methods, the risk should control within the range that the enterprise can bear; sixth, the information and results obtained from the entire risk management activities should be able to provide the board of directors and management of the enterprise with relevant enterprise goals. realization of the guarantee.

The main types of enterprise risk;

For enterprise risk management in our country, relevant literature has concluded that the **business risk of an enterprise** can analyze from the perspectives of system risk and individual risk. In terms of system risk, uncertainties in policies, interest rates, market supply and demand; and purchasing power will all have a certain impact on the normal production and operation of enterprises. In terms of individual risks, the main risks faced by enterprises are the risks of capital value, **opportunity cost**, income cash flow, future operating expenses, time, and holding period.

Furthermore to the above classification methods, some opinions generalize the business risk of enterprises as policy risk (whether the macroeconomic regulation and industrial policy guidance issued by the state in the corresponding field will have an impact on the entire industry or a certain type of product or business), financial Risks (whether the enterprise itself has difficulties in capital turnover or bankruptcy caused by poor management and management), market risks (whether the products or services developed by the enterprise are marketable in the market, and whether they are competitive in the market), legal Risk (whether the enterprise has the risk of serious economic losses due to related contract traps such as fraud, breach of contract and infringement of intellectual property rights), team risk (whether there are employee conflicts within the enterprise, especially the core team, and the loss of excellent talents) Five categories.

Enterprise risk management under macroeconomic operation;

The management organization structure is not perfect;

In the context of macroeconomic operation, the implementation of enterprise risk management requires the support of professional talents in the final analysis, and a good organizational structure is an important prerequisite for ensuring the stability and good operation of the risk management plan, and also has a positive effect on the improvement of the enterprise risk management mechanism. For small and medium-sized enterprises, the leading layer of risk management is generally managers.

In addition to initiating risk management and strategic planning; it also plays an important role in the identification of business risks and the implementation of treatment measures. Under the background of the gradual deepening of modern enterprise management concepts and the frequent occurrence of enterprise risk events; although the management of most enterprises has realized the importance of risk management and related organizational structures; and has clarified the necessity of bundling the implementation of enterprise strategy and risk management;

However, in the practice of constructing organizational structure; many enterprises still face the problems of confusion of management structure; and unclear division of authority and responsibilities of internal management personnel. In addition, small and medium-sized enterprises have some deficiencies in resisting risks and building a sound management system. At present, the **risk management of Chinese enterprises is facing** more severe challenges.

Under the macroeconomic background;

The current defects in the design of the management organization structure of Chinese enterprises are mainly concentrated in the lack of independent risk management departments; the lack of standardized risk management system operating procedures; and the job responsibilities and attribution of personnel engaged in enterprise risk management.

The division of departments is unclear, and the topics that bear the corresponding risks are not clearly explained. In addition, due to factors such as imperfect organizational structure and lack of necessary constraints on risk management activities, the risk management practices of some enterprises are prone to the following problems: risk or risk event that has occurred, which is manifested as "inaction".

Based on the above analysis, the lack of professionals who can undertake risk management responsibilities; the excessive pursuit of immediate interests in the risk management and control process; and the imperfect organizational structure are the main drawbacks of enterprises in managing the organizational structure; and they are also urgent problems that need to be solved.

Risk management stands separated from internal control;

Internal control is an important way for modern enterprises to govern the internal environment. At this stage, the theoretical circles have different definitions of internal control; but there is no **doubt** that internal control is the process of creating a reasonable guarantee for an organization to achieve its business goals.

According to the explanation given by my country's Banking Regulatory Commission; the internal control system of a commercial bank is a systematic procedure, policy, or plan formulated and implemented by a **commercial bank** to achieve its operation and management objectives, to effectively identify and monitor relevant risks. , evaluation and control of dynamic processes and mechanisms.

Relationship between internal control and risk management;

From this level of analysis, there is a certain relationship between internal control and risk management:

First, internal control needs to drive by the correct identification and control of risks by enterprise managers, and is a necessary link for enterprises to achieve comprehensive risk management goals; second, Comprehensive risk management covers all elements and objectives of internal control. Linking enterprise risk management with internal control is an effective way to ensure the safe and healthy development of the enterprise.

In the process of practical attempts, the internal control of modern enterprises has gradually changed from the traditional concept of risk management mode that simply avoids business losses. Comprehensive risk management can create certain value and benefits. Because of the close connection between internal control and risk management, many enterprises have actively tried to reform their internal control.

However, as far as the actual effect is concerned, due to the influence of many factors; a considerable number of enterprises still fail to organically combine internal control and risk management in their management activities. Analyzing the reasons, it is mainly related to the lack of necessary awareness of risk control by managers in key positions in internal control and risk management activities and their lack of deep understanding of the connection between the two.

Suggestions on Strengthening Enterprise Risk Management;

Build a sound risk management system;

Under the current macroeconomic background, building the "three lines of defense" for comprehensive risk management is a management strategy adopted by most state-owned enterprises and other large enterprises in the construction of risk control and internal control systems. The "Three Lines of Defense" can play a positive role in the control of business risks.

For general small and medium-sized enterprises, relevant decision-makers can also consider starting from the aspects of clarifying leadership responsibilities, setting up full-time internal control positions, formulating feasible risk control strategies to implement a hierarchical and hierarchical risk management system, and then ensuring the entire risk control work. successfully launch.

From the perspective of internal control, the construction and improvement of the internal control system is an important part of the modern enterprise management concept. Strengthening the internal environmental governance of the enterprise and gradually improving the internal control system is the new development situation.

New requirements;

Because of the problem of "mechanism" in the construction of risk control system in some enterprises and the excessive reliance on the risk control experience obtained by other enterprises, the designer of the risk control work plan should start from three perspectives:

- First, ensure that the audit department in the organizational structure of the enterprise Occupies; its due position and focuses on strengthening the authority and also independence of internal audit work.
- Second, independent regulatory authorities need to take into account property risks and operational risks; and aim to improve the overall risk management level of the enterprise and improve the internal environment of the enterprise.
- The third is to start from the vertical, supervise and manage the whole process of production and operation of the enterprise, and also pay attention to the evaluation of various potential events.

The existing management experience has also confirmed that starting from the three stages of pre-intervention, in-process tracking, and post-event evaluation; the potential risks of business activities can discover in time so that corresponding preventive measures can take; as soon as possible to avoid business risks faced by enterprises and enhance their ability to Social value.

Improve the risk management organization;

In the practice of enterprise financial risk control; a sound management organization is a basic condition for the entire risk control work. To ensure the smooth progress of the risk control work and the perfect combination of the risk control work; and other management activities, the management of the enterprise needs to attach great importance to it. Reasonable structure of management organization, especially for functional departments related to risk control work.

According to the actual requirements of risk control work, qualified enterprises should establish a management department dedicated to enterprise risk control services, and continuously improve the governance structure in the process of practice. From the perspective of improving the risk management organization, to improve the existing management structure; the management of the enterprise needs to recognize the importance of the members of the board of directors; and the board of supervisors independent of the general management organization in the enterprise risk control.

In addition, it is necessary to pay attention to the key indicators of the enterprise. In the process of production and operation of the enterprise; the key indicators refer to the financial risks that can be accurately reduced; and, then brought about by the key financial indicators of the enterprise in the process of preventing the financial crisis of the enterprise. capital utilization and capital turnover. At the same time, companies also need to have good credit; so that they can use corporate funds to gain an advantage in market competition and achieve more stable development.

Use financial instruments to achieve sound development;

Enterprise risk management is a systematic and dynamic supervision process; which involves the process of risk identification, quantitative assessment, processing, and supervision. It is a reliable way to promote the sound development of enterprises to comprehensively use the existing risk control methods to practice the functions of planning, organization, and control to ensure the smooth development of business activities.

In the practice stage, to ensure the quality of risk control work; in addition to considering the economy of risk control technology; and the relationship between risk control costs and operating benefits, relevant managers also need to use some tools and risk control strategies to scientifically conduct business risks. avoid. Taking the risk accident database as an example, to improve their risk control capabilities; some enterprises actively try to establish a risk accident database; to identify potential risks and also avoid similar events through the comprehensive analysis results of previous risk events.

From the perspective of application effects, the establishment of a risk event database can provide an important tool for early warning of business risks. In the financial industry under the influence of macroeconomics; the avoidance of operational risks has always been a key topic discussed the industry. Focusing on the theme of healthy and benign development, relevant companies have actively carried out practical attempts to improve **financial planning** capabilities and risk control capabilities with advanced financial tools.

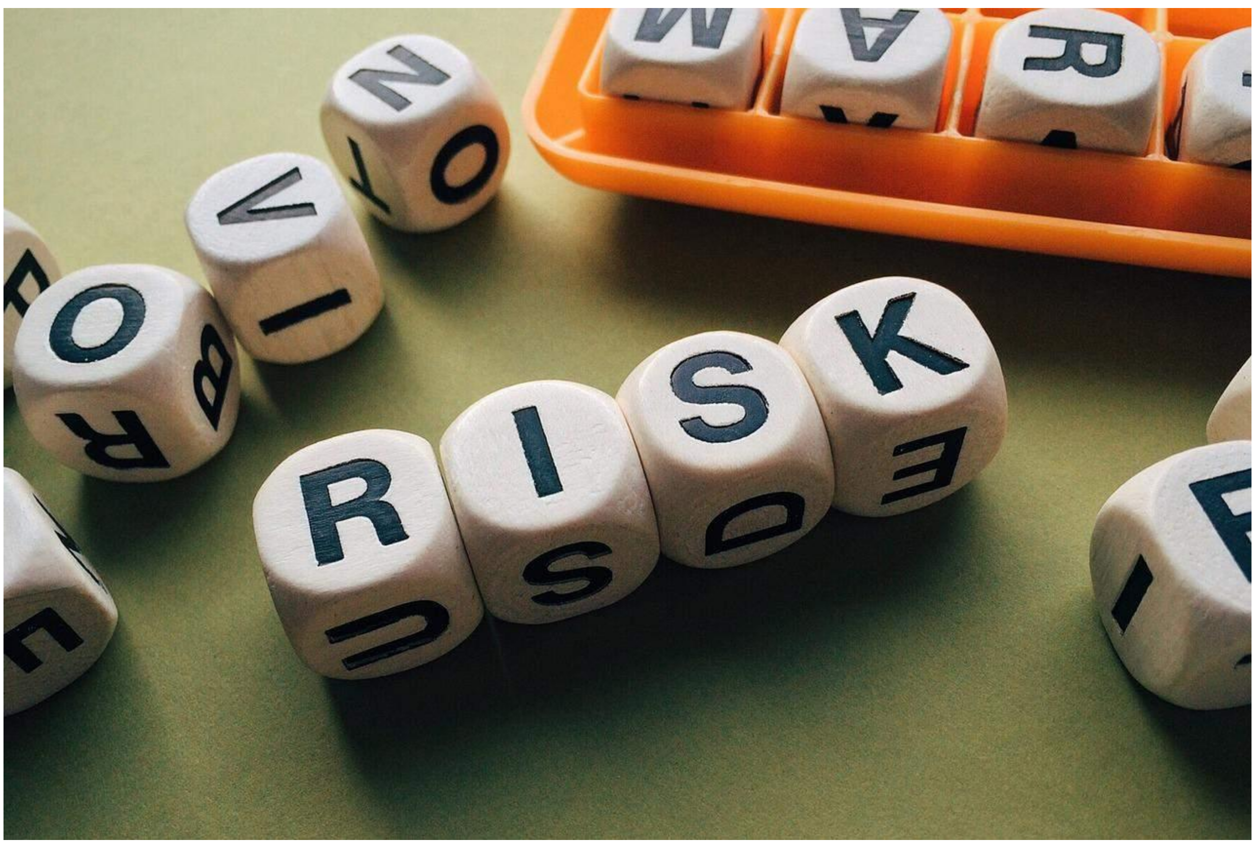
For other enterprises, there is a view that entity enterprises should divide into three categories; production and processing enterprises, end customers, and traders. According to the differences in risk exposures faced by various types of enterprises in their operation and also management practices, corresponding financial tools should use to solve practical problems. Problems or practical difficulties can better help relevant enterprises to overcome the development difficulties.

Other things;

Under the development trend of diversification, internationalization, and financialization, Chinese enterprises are facing a certain crisis of innovation and development; which will inevitably increase the business risk of enterprises. To effectively deal with such risks, relevant companies urgently need to introduce reliable **financial instruments** to transfer risks in procurement, production, sales, trade, and other links.

Risk management is an important way to ensure the healthy development of an enterprise. It needs to improve promptly in combination with the theories; and, also methods of enterprise risk management under the current macroeconomic operation. However, judging from the current situation of enterprise risk management in my country; the relevant management needs to objectively analyze their shortcomings in terms of awareness and ability; also, pay attention to avoid problems such as excessive reliance on the risk control experience of other companies and advanced risk control technology.

On this basis, managers need to closely combine the characteristics of the enterprise; actively build a sound risk control system and organizational structure; and flexibly use the existing financial tools to help the enterprise overcome the difficulties faced by the risk control work.



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