

# **Britten Coyne Partners**

## ***Meeting the Demands of the UK Corporate Governance Code Regarding Emerging Risks***

### Background

The UK Corporate Governance Code now requires that company boards “should [annually] carry out a robust assessment of the company’s emerging risks...including procedures in place to identify and manage them.” This echoes previous guidance by the Financial Reporting Council, that “boards need to focus especially on those risks capable of undermining the strategy or long-term viability of the company, or damaging its reputation.”

These disruptive and potentially fatal risks now emerge much more frequently in a world of greatly increased connectivity, complexity, and uncertainty.

### Our Approach

Through our consulting, education, and forecasting offerings, since 2012 we have helped clients to better anticipate, more accurately assess, and adapt in time to the most dangerous risks they face.

To help clients meet the Corporate Governance Code’s emerging risk standard, we first document and evaluate the “As-Is” situation, including key processes, and stakeholder satisfaction with them.

To the extent that there are gaps between the As-Is situation and our evidence-based best practice model, and/or if stakeholder satisfaction is an issue, we recommend improvements and work with the client team to design an integrated “To-Be” approach to anticipating, assessing, and adapting to emerging risks.

We also provide “How-To” guidance for moving from the “As-Is” to the “To-Be” state, and where needed provide the required tools, training, and coaching.

### Client Benefits

Beyond meeting the compliance requirements of the Corporate Governance Code, improved management and governance of emerging risks has substantial economic benefits for clients.

In *"The Mortality of Companies"*, Daepf et al identify a roughly constant hazard rate of about 5.80%/year for the failure of public companies between 1950 and 2009. If a company can reduce this hazard rate, the benefits to its shareholders, employees, and the communities in which it operates are very substantial.

Moreover, as Ormerod and Roswell showed in *"How Much Can Firms Know?"*, even a slight improvement in an organisation's ability to acquire knowledge about the sources of competitive success and failure can dramatically improve its survival rate.

### Our Qualifications

Neil Britten and Tom Coyne have over 80 years of experience, as consultants, bankers, executives, and directors of companies around the world. Since 2012, Britten Coyne has focused on strategic risk management and governance, through our corporate advisory, educational, and emerging risk forecast offerings.

Our methods and tools are based on an extensive evidence-base, including intelligence analysis, complex systems theory, individual, group, and organizational psychology, and Tom's four years of experience as a member of the Good Judgement Project team which won the United States Intelligence Advanced Research Projects Activity's forecasting tournament, as described in Professor Philip Tetlock's book, *"Superforecasting"*.

### For More Information

To learn more about how we can help your company meet the Corporate Governance Code's emerging risk requirements, please contact either Neil Britten on 44 (0)78 0893 6884 (GMT) and [nbritten@brittencoyne.com](mailto:nbritten@brittencoyne.com), or Tom Coyne on 1.303.886.9752 (GMT-7) and [tcoyne@brittencoyne.com](mailto:tcoyne@brittencoyne.com).

You can learn more about our firm at [www.brittencoyne.com](http://www.brittencoyne.com), or by following us on:

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