

ALL FOR ONE, AND ONE FOR ALL, AT YORK UNIVERSITY

By Russ Banham



RIMS

Steve Pottle has a sophisticated view of Enterprise Risk Management (ERM), which he sees as *risk management* being owned by everyone within the *enterprise*. The enterprise in this case is York University, the second largest university in Ontario, Canada, and the third largest such institution in the country. Founded in 1959, York University's undergraduate and graduate student

population adds up to the size of a mid-sized city, 46,900 and 5,900 students, respectively.

The university did not transform its insurance-procurement unit into one focused on risk management until 2001. Pottle, whose background was project management and communications, was recruited in 1999 to address the institution's risk-oriented concerns over Y2K. Like all other enterprises at the time, the school feared that its computer programs, which stored year-over-year values as two-digit figures (such as 99), would collapse in the year 2000. The fix, as it turned out, was pretty simple. More importantly, Pottle proved his mettle, prompting the university to form the Risk Management Services unit, which he was selected to help develop.

Pottle sat down with RIMS to discuss the evolution of ERM in the years since his hiring.

RIMS: When did you begin the process of implementing ERM at the university?

Pottle: In 2001, after the Y2K issues were resolved, the board of governors said 'this risk management thing is good.' They realized that our risk-based reporting had added value to the conversation from a purely functional perspective, in that someone would be monitoring this risk (Y2K). At the time, there were very few risk management units across the Canadian university landscape. I subsequently reached out to them and began picking their brains about what they considered 'best practices.' And enterprise-wide risk management was one of them. I thought it was pretty cool and then spread the word here.

RIMS: What was the reception to the idea of implementing ERM?

Pottle: The point I made and always make is that ERM is about enablement—enabling people to do what you want them to do, which in this case is to help identify, monitor and manage risks in their areas of responsibility. ERM isn't about me; it's about them. Yes, risk management must align with the university's plans, which includes research and enhancing teaching and student experiences. We provide some structure around this, risk-wise, but more importantly we enable conversations. And those conversations are about risks.

RIMS: Could you provide an example of where the ERM program has provided value that otherwise might have turned into a big mess for the university?

Pottle: One that comes to mind is a faculty member who received a substantial grant to start a school in the refugee camps in Dadaab, Kenya, on the border of Kenya and Ethiopia. The objective was to establish a school where the refugees would be taught to become educators themselves. It was called the Borderless Higher Education for Refugees (BHER) project. This is a highly volatile, high-risk area, you understand. So I sat down with the faculty member to have a conversation about the project. We talked a bit about the insurance ramifications, by way of getting into a broader discussion of strategic risk. I was concerned about the possibility of an attack at the school. I brought up the idea of a partnership, where we wouldn't build the physical infrastructure of the school but would assist a local contractor to do this work. This way the risk is shared. For me, the best meeting I have is when I see the other person madly taking notes.

RIMS: What was the project's outcome?

Pottle: Here is where things get very interesting. In April 2015, an attack at Garissa University College in Kenya resulted in the deaths of more than 140 people. Obviously, we became concerned about the security situation in the country and its implications and impact on the BHER program. My unit (Risk Management Services) was asked to conduct a risk assessment of the project. In reviewing key risk factors, such as the ability for research staff to safely travel from Nairobi to the refugee camp, a decision was made to suspend onsite education until the region became more stable. Not that the project was scuttled—we agreed to provide remote education to the refugees.

RIMS: So your organization's initial concerns about an attack actually were borne out?

Pottle: Yes, but there is a nice ending to this story. That August (2015), when the situation became less volatile, the project resumed local operations. We recently granted our first certifications to local teachers.

RIMS: Congratulations. It appears that your approach to ERM is one of collaboration, where you help guide discussions of potential risks and what to do about them. Are these discussions always at a high level?

Pottle: The more important ones are. For example, the Pan Am Games were held at York last year. We built a world-class stadium to host the track and field events. Now we are in the process of having two subway stops built on campus. All this construction activity poses a wide range of risks to our students, faculty and visitors. We are also a huge commuter campus; on any given day, there are thousands of commuter buses coming to the campus. Before the shovel hits the ground, I'm having conversations with my counterparts in the transit and facilities departments. They need a level of comfort about how to manage the risks presented by huge holes in the ground, constant noise, and the traffic implications. Just imagine the changes to vehicle and pedestrian flow that must occur to put in a subway system.

RIMS: Sounds pretty challenging, but also seems like a lot of fun.

Pottle: Universities are the best training ground from a risk management perspective, particularly one the size of York University. I can't think of anything outside a large hospital that comes close. The challenges make each day well worth it.

RIMS: Can you provide one other example of where ERM worked its magic?

Pottle: I've got a good one. We recently established a new school and faculty of civil engineering. I was told that one of the mainstays of a civil engineering school is the establishment of what is called a 'high bay lab.' This is a place with high-pressure equipment to bash the heck out of concrete to test its strength. For the purpose of recruiting students to the program, we simply had to have one. That inspired multiple conversations of the myriad risks—not surprisingly, there were many—and what could be done to eliminate and manage them. In many ways, my job is to provide comfort to others to do what's best for the University, helping them manage the downsides so the upsides happen.

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