

# Tata Steel and Tata Power help in improving Tata AutoComp's enterprise risk management framework

Tata AutoComp uses enterprise risk management (ERM) to identify risks and mitigate them, to achieve business objectives. The ERM framework is based on policy deployment, regular management reviews and inputs from the Board. To take this framework to the next maturity level, it was essential to bring in more objectivity in risk assessment by assigning scores and values. Thus, to review the best practices on ERM, Tata Business Excellence Group (TBExG) arranged a best practice sharing session with Tata Steel (December 2019) and Tata Power (May 2020). Tata AutoComp had two major takeaways from these interactions:

## 1. Providing probability and impact scores at inherent risk and residual risk level

### Benefits

- › Evaluating likelihood and impact in a more objective manner
- › Prioritising the risks
- › Assess how the mitigation actions are helping in reducing the risk level

## 2. Assess expected financial impact of risk on revenue, cost and profit

### Benefits:

- › Assessing the values at stake
- › Seeing how the risk is affecting top line, bottom-line and business objectives
- › Assessing the breadth and depth of mitigation actions required

These practices have already been implemented in some business units (BUs) and are currently being deployed in the rest of the BUs as well. As a next step, Tata AutoComp will be working to penetrate the ERM culture within the organisation across all levels and reduce the overall risk score.

## Participant Speak

“These initiatives have helped us in strengthening the enterprise risk management framework for the entire organisation by bringing in more objectivity in risk assessment.”

**Deepak Rastogi, President and CFO, Tata AutoComp**