

Dallas/Fort Worth International Airport National Aerospace FOD Prevention Conference

Risk Management

August 16, 2011



Risk Management

- Functions
 - Risk Identification
 - Risk Mitigation (Safety & Training)
 - Asset Protection
 - Insurance
 - Accident Investigation
 - Claims Management
 - Corrective Action



Risk Management

- Systems
 - Enterprise Risk Management
 - Safety Management System
 - Occupational Safety & Health Administration
 - Rolling Owner Controlled Insurance Program
 - Airport Development & Engineering
 - Airport Operations Center
 - Emergency Operations Center



Enterprise Risk Management (ERM)

Definition

- ***Structured, consistent, and continuous risk management process applied across the entire airport enterprise that brings value by***
 - **Proactively identifying, assessing, and prioritizing material risks**
 - **Aligning with strategic objectives and business processes**
 - **Developing and deploying effective mitigation strategies**
 - **Embedding key components into the airport's culture**
 - **Risk ownership, governance, and oversight**
 - **Reporting and communications**
 - **Leveraging technology and tools**

Enterprise Risk Management Initiative Accomplishments

- **2009 - 2010**
 - **Created DFW ERM model**
 - **Adopted ERM policy**
 - **Designated Risk Officer**
 - **Established cross-functional ERM Risk Council**
 - **Performed inventory of tools**
 - **Conducted risk assessment interviews**
 - **Validation of risk list and mapping**

DFW ERM Continuum

Current State

Link to Strategy and Stakeholder Value

HIGH

LOW

Risk Specialization

- Isolated and independent risk management activities,
- Limited focus on the linkage between enterprise-wide risks and strategies

2009



Enterprise Risk Awareness

- Adopt an ERM framework
- Assign executive ownership of risk management
- Conduct routine risk assessments

Today



Risk Management Integration

- Implement a fully integrated ERM structure based on a framework
- Monitor & report on risks through the enterprise
- Coordinate ERM activities

Value Creation & Risk Optimization

- Embed risk management into strategic planning
- Monitor risks with early warning risk indicators
- Link risks to stakeholder value
- Drive sustainable performance

Insurance & Compliance

Core ERM Practices

Risk-Reward Optimization

Risk Management Philosophy

Safety Management System(SMS)

Definition

- ***The formal, top-down business-like approach to managing safety risk. It includes systematic procedures, practices, and policies for the management of safety (including safety risk management, safety policy, safety assurance, and safety promotion).***

Risk Management

■ What Works?

- Leaders Who Understand Risk
- Supervisors Who Understand Risk
- Employees Who Understand Risk
- Continuous Employee Safety Awareness
- Responsive Risk Program
- Effective Education & Communication
- Interdepartmental Cooperation



Risk Management



**What does all this have to do with
FOD?**

Risk Management

■ What Works?

- Leaders Who Understand FOD
- Supervisors Who Understand FOD
- Employees Who Understand FOD
- Continuous Employee FOD Awareness
- Responsive FOD Prevention Programs
- Effective Education & Communication
- Interdepartmental Cooperation



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