

Ernest & Young Risk Management Methodology

Ernest & Young of NY allied with JP Morgan to create a web-based risk management tool named Horizon. Their former risk management tool (Control Self-Assessment) was a paper-based method for assessing risk. Ernest & Young along with JP Morgan used the guidelines of the Control Self-Assessment (CSA) to create the web-based risk management tool Horizon. Horizon became a 'catalog of all critical company operations and assign risk profiles to them.' (ABA Banking Journal, 2000, vol.92) The Horizon is a web-based risk management tool that makes risk profiles better to comprehend and convey. This tool decreases paperwork and the need for human capital. The Horizon risk management tool can assess the impact of risk on the project outcome by the use of three modules. The three modules are: Quarterly Assessment, Reporting, and Administration. The Quarterly Assessment module produces risk scores based on the likelihood of occurrence. The Reporting module "a toolset designed to pinpoint the entire organization's risk by location, business, or risk type with a "drill down" capability to isolate useful information." (ABA Banking Journal, 2000, vol.92) This module also permits archived risk profiles to be retrieved and shown in real-time. The Administration module has a business procedure that configures the risk assessment. This risk assessment tool has been successful for Ernest & Young and JP Morgan as demonstrated by JP Morgan's global use of the tool across their investment banking organization.

Companies can learn from this example, use a risk management tool such as Horizon to prevent risk that will cause schedule delays and the failure of the implementation plan. Horizon is risk assessment web based tool that "easily integrates with most IT environments." (ABA Banking Journal, 2000, vol.92).

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