

NEW RISK MANAGEMENT ASSOCIATION GAINS INTERNATIONAL RECOGNITION – *INTERVIEW TRANSCRIPT*

- What led to the establishment of MARM?

This has been an initiative by some Maltese risk management professionals with years of experience in different sectors. Risk management as a profession is not a new reality but, relatively speaking, here in Malta risk management is still to emerge in all its different aspects. The founding members just felt that the Maltese market is in a condition wherein it needs a formal representative body. It was quite curious really because upon the instigation of one or two, the members all came together and were unanimous in their agreement for the need and shared a very similar vision of what the Association should aim to achieve. It was very encouraging, really, and we have made good, steady progress in a short period of time.

- What are MARM's main objectives?

MARM is very focussed; the intent is to establish it as the principal local risk management body with an emphasis on raising awareness of the need and reaching out into all sectors that stand to benefit potentially from the discipline. Risk management is not rocket science, nor is it some sort of magic cure for all problems which organisations face from time to time. Risk management is an approach to mainstream management which takes into account the potentially negative as well as positive outcomes of decision making. I really must emphasise these three staples from very early on. People must not expect risk management to solve bad management, nor will it make up for inadequate resources and poor decision making. It can, however, reduce the likelihood and consequences of events that might affect organisations from time to time. Most importantly, good risk management is also about identifying opportunities in risk and this is a very powerful idea in today's interconnected world.

- What kind of activities does it plan to organise?

I would prefer that you asked me how we intend to operate. MARM is busy setting itself up at the moment. We have already successfully applied to join the European Federation of Risk Management Associations [FERMA] and believe me, this has been a major advancement in such a short time. The Association has an educational, representational as well as an advisory vocation and we see ourselves as growing it towards these major goals. We feel that awareness raising is a primary objective in the short term, but into the future we would like to see MARM grow into an open forum that represents the professional needs, requirements and industry standards of the various disciplines: business continuity management; health and safety; security; corporate social responsibility; environmental; intellectual property; project management; waste management to name but a few. Basically wherever there is risk in management, we intend to address. Ambitious? Yes, all of this may sound ambitious but what sort of risk management association would MARM be if it did not aspire to address risk in all its forms? MARM is a long term project and for us founding members it is vital that we put the best foundations possible in place. Clearly we shall need support from all sectors and our membership structure shall reflect this.

- Who are the professionals targeted by MARM? Which businesses?

MARM will be open to professionals from all sectors of industry who wish to take management seriously. I have already outlined some of the areas we shall actively promote. Others, equally as vital, include the insurance sector; financial organisations; individual specialist practitioners; entrepreneurs; educators, academics and key decision makers. In all of this, we would wish to position ourselves where professionals from both the private and public sectors can reach us. Risk knows no politics and we must ensure, as MARM, that the knowledge, skills, techniques, methodologies and tools become as widespread as possible without devaluing their intrinsic worth. Believe me, this challenge sounds easier than it will be in practice. Risk management cannot be all things to everybody and we shall have to keep reminding ourselves of this basic fact.

- The press release says “the market signs are that it is now ripe for more focus and attention” to risk management. How so?

Finally a practical question I can answer in real terms . Malta is not, and has not been, inure to the contemporary global and regional turmoils and our business leaders and key decision makers will not have failed to feel this aspect. It is admittedly remarkable how well we as a Nation appear to have stood up to the onslaught of difficulties which have afflicted almost all nations and harmed a significant number.

Yet one has to be concerned about the degrees of awareness and levels of preparedness in both the public institutions as well as private enterprises in these challenging times. One has to reflect upon our ability to cope, as a Nation, in the event of a high-risk event afflicting us.

We live in an interconnected world and sooner or later a risk event may well test our preparedness, ability to respond, cope and resume in the longer term. Such events challenge even the best-prepared and equipped of nations and international institutions and the essential point I would like to share is that risk, crisis and disaster management require very specific skills-sets and organizational structures, amongst other essential elements and resources. The latter can only be developed and nurtured over time and a start has to be made at some point sooner rather than later.

- In the association’s view, to what extent are local businesses aware of the important of risk management and mitigation, given that as a country we are significantly under-insured?

My comments in the previous question are highly relevant to this one as well. Vitaly, one has to keep in mind that insurance is just a single aspect of risk management, albeit a highly essential one. Risk management is all about understanding the operational context of an organisation and putting in place effective frameworks for managing uncertainty.

Whether or not we are under-insured I am not in a position to comment because one would have to evaluate several factors and I very much doubt whether the market data is readily available in any case. As for improvements in other aspects of risk management, then yes, the Maltese market offers fertile ground for opportunities.

- How will MARM leverage its membership of a European network for the benefit of its members?

Becoming members of FERMA was our very first objective and we have reached it almost immediately after founding MARM. Clearly this is a vitally important staple for our future plans.

Beyond the networking benefits, FERMA could be an excellent vehicle for shortening existing gaps in the many aspects of risk management: knowledge; tools; methodologies; awareness of emerging trends; industry standards and codes of practice; methodologies and so on.

In a nutshell MARM now has a European platform within which to act and interact and we fully intend maximize the opportunity. Interestingly, our European partners also welcomed MARM wholeheartedly and this has given us founding members great encouragement. We have had a promising start – it is now about sustaining and building upon it.

- Will MARM be represented at the FERMA conference in Stockholm in October? Will it contribute to proceedings at all?

Yes of course. Regrettably I am not able to make it myself. Ian Edward Stafrace, the Vice President of MARM and who was instrumental in its founding, will be representing us and he will no doubt do so very well with his infectious enthusiasm and networking skills. On behalf of MARM, Ian will be extending an invitation to the new FERMA President, Jorge Liuzzi, for the forthcoming official launch.

All the member come from diverse risk management backgrounds and we are extremely excited about the project. Andre' Farrugia is the Director of Studies at the *Malta International Training Centre* and MARM Secretary. Mario Genovese is risk manager at *Air Malta* and appointed Treasurer. John O'Dea hails from *PRIMO Malta* and is in charge of MARM Media Relations; and Dr. Simon Grima is a risk academic with extensive financial background. As you can see, we all come from various business domains including financial services, aviation and ports safety/security, manufacturing, retail and hospitality and the public sector.

John Schembri is a retired Army Officer of eighteen years service. A Sandhurst graduate in 1988, he obtained his MSc in Security and Risk Management from the University of Leicester, with Distinction in 2001. He has accumulated vast experience in operational risk management, both in Malta and overseas. This year he graduated PgC in Occupational Health and Safety from Portsmouth and is reading for a second MSc in Safety Management Systems. In July he was appointed founding President at MARM.