

# 5. RELEVANT COMPETENCES FOR THE RISK MANAGER OF TOMORROW

Faced with the progress of AI, risk managers need to position themselves as value drivers within the organisation and as AI risk advisers to senior management and the board. The risk manager will not usually be a technical subject expert. He or she will add value from a combination of risk management skills, knowledge of the organisation and a level of broad digital understanding.

The current risk management skills – a thorough understanding of a wide range of risk management techniques, people management and communication skills – remain essential. The risk manager will also need a minimum level of digital knowledge, which will require continuing updating.

In this way, the risk manager will have the knowledge and skills to work with the subject experts in a multi-disciplinary team, understand the enterprise risk implications and communicate with senior management. He or she will also be able to explore the value of AI for risk management tasks notably for governance, risk and compliance applications.

Three main areas for risk managers to apply their skills address the following issues:

## 1. Change Management/ AI Readiness

Ensuring AI readiness while dealing with the risks of change management will be important for risk managers.

In terms of **strategic leadership**, their actions should lead to a better decision-making process for the leadership of the organisation. Top management needs to be aware of potential growth opportunities and the risk implications of digital technologies in general, including AI. If they are seen as a source of strategic advantage, priorities and budgets will be set accordingly.

In terms of **governance, compliance and risk**, techniques such as risk and control self-assessment already provide an ideal platform to set up guidelines, rules and processes for transparency, acceptance and analysis of the impact of AI.

## 2. Digital expertise within risk management

Regardless of the internationality or size of an organisation company, risk managers will need to work with data scientists to play a role in areas such as automated data collection and exchange, data quality, data governance and the quantification of qualitative data for AI.

Choosing the technical solution that will provide the best insights for risk management will require digital understanding and an ability to compare the costs and benefits of traditional quantitative modelling versus AI.

## 3. Building a cross functional risk management environment

Acquiring and retaining people with the right digital expertise represent a frequent challenge for organisations on their AI journey.

Based on the potential of AI, risk assessments, risk consulting and risk monitoring can be more closely integrated with other specialist areas such as IT/ AI development, data science and data analysis.

Bringing together different skills, such as analytical thinking, the translation of technology into business processes, programming, data collection/cleaning/processing and risk consulting can create an interdisciplinary team that combines innovation and efficiency, structured analysis and pragmatic implementation.