

Career Center

Resources for Exploring Careers

in Risk Management

As the outcomes of business activities are uncertain, they are said to have some element of risk. Risk management involves identifying the types of risk exposure within the company, measuring those potential risks, proposing means to hedge, insure or mitigate some of the risks and estimate the impact of various risks on the future earnings of the company. Starting as an analyst, you will need to analyze and document the risks associated with a company's business operations, as well as monitor the effectiveness of risk management processes and implement needed changes. See this video for a more detailed introduction to risk management, <https://www.youtube.com/watch?v=BLAEuVSAIVM>.

Explore The Responsibilities Involved in Risk Management Careers

The role of risk management is commonly divided into different types of risk. We compiled information on these types from various resources and job postings. Consider which type or types of risk fit your skills and career values.

Credit Risk

Sources and Results

- Default, use of leverage or derivative instruments
- Can result in lost principal and interest, decreased cash flow, increased collection costs

Employee Responsibilities

- Evaluate new credit applicants
- Monitor ongoing financial performance
- Work directly with consumers and business customers
- Collaborate with retail sales agents or credit officers

Potential Employers

- Commercial banks
- Credit card companies

Liquidity Risk

Sources and Results

- Asset liquidity: an asset cannot be sold due to lack of liquidity in the market
- Funding liquidity: risk that liabilities cannot be met when they fall due or can only be met at an uneconomic price

Employee Responsibilities

- Calculate funding and capital requirements
- Maintain compliance with regulatory agencies
- Conduct liquidity stress tests

Potential Employers

Various financial firms and privately-traded companies

Operational Risk

Sources and Results

Loss resulting from flaws in business operations, people, systems, or external events

Employee Responsibilities

- Build relationships with stakeholders
- Process regulatory requirements
- Translate regulatory policies into business policies

Potential Employers

- Commercial banks
- Insurance companies

Market Risk

Sources and Results

Risks due to changes in various investments, such as equity, interest rates, currency, and commodities

Employee Responsibilities

- Stay current with market trends
- Communicate information to senior management regularly
- Generate daily risk usage reports

Potential Employers

- Various financial firms and privately-traded companies

Explore the Responsibilities Involved (cont.)

Not every role will require all of these responsibilities. This information is also useful when writing your application documents and preparing for interviews.

Identify risks

- Eliminate risks that may negatively affect the company
- Discover uncovered and unresolved risks
- Explore new techniques in lessening and managing risk

Implement risk reduction policies

- Investigate effects of new policies
- Create contingency plans
- Create and enforce safety policies
- Develop plans to cover risks with data security

Report risk

Communicate with senior management on risk issues and plans to reduce risk

Buy insurance

- Develop and coordinate insurance policies of the company's employees and assets
- File insurance claims

Employee union relations

Negotiate with union leadership

Compare Different Risk Management Organizations

* = in the Raleigh-Durham area; # = history of sponsoring visas from myvisajobs.com

Search LinkedIn or Google Finance for these employers, and look for the section on related companies to help you identify others.

Insurance Firms

- Travelers Group#
- United Healthcare#
- The Insurance Center of Durham *
- Durham Life Insurance Company *

Financial Services Firms

- American Express#
- Fannie Mae#
- Thomason Financial Services LLC*
- NanCom, Inc.*

Mortgage Firms

- Quicken Loans#
- Wells Fargo Mortgage#
- Devon Mortgage LLC*
- On Q Financial I Della McDowell*

Commercial Banks

- JPMorgan Chase#
- Goldman Sachs#
- Central Carolina Bank & Trust*
- Square 1 Bank *#

Consulting Companies

- McKinsey & Co.#
- The Boston Consulting Group#
- Cognitect*#
- Anagard, LLC.*

Privately Traded Companies

- Koch Industries
- Cargill Incorporated#
- SAS INC.*

Municipal Government Departments

- Municipal Finance

Read Additional Risk Management and Career Resources

Learn about the skills required and different career paths

http://career.uga.edu/wcidwami/risk_management_and_insurance

Gain a deep understanding of risk management, especially those from non-risk background

http://career-connections.info/CareerChangers/riskmanager_career

Learn skills needed in building a risk management team

http://www.risktalent.com/cm/risk_insights/exceptionalriskmanager

Suggestions from professionals

<http://news.efinancialcareers.com/us-en/careers-in-finance/219887/risk-and-compliance-skills>

Follow these Twitter accounts

@RiskMgmt; @csrisk; @Careers; @RiskInsurance; @Risk_Mgmt

Meet Risk Management Professionals to Talk About Opportunities and Their Careers

Global Association of Risk Professionals, <https://www.garp.org/#!/home>

Professional Risk Managers' International Association, <http://www.prmia.org/>

American Risk and Insurance Association, <http://www.aria.org/>

Public Risk Management Association, <http://www.primacentral.org/>

Contact Duke alumni and other professionals in risk management for informational interviews

- Duke Alumni Association, <https://alumni.duke.edu/>
- Alumni on LinkedIn (use the Find Alumni tool under My Network)

Build These Specific Skill Sets and Highlight Them When Applying

Particular jobs may not require all of these skill sets, so find out from online resources and professionals you meet which of these skills sets are most relevant.

Quantitative analysis

- Familiarity with quantitative analysis techniques
- Analyze financial statements
- Research and analyze investment data
- Design portfolio reviews

Communication and collaboration

- Explain complex concepts in a way that can be understood by different audiences
- Work in a team setting
- Interpret government and organization policies
- Review and negotiate contracts and policies
- Advise investment managers and clients
- Write reports and recommendations

Software (not necessarily all are needed)

- Bloomberg
- JAVA
- Microsoft Access and Excel
- Matlab
- SAS
- SAS SQL
- Mathematica
- Visual Basic and Oracle

Gain Experience

You can gain experience in many ways that involve different amounts of time investment.

Contact the Duke Corporate Risk Management Office to learn about careers, shadow analysts, and potentially complete an internship

<https://finance.duke.edu/insurance/depts/index.php>

Enroll in courses at Duke Fuqua School of Business

tinyurl.com/CoursesInOtherDukeSchools

Complete online courses from Coursera to learn more about finance broadly or data processing tools such as R, Excel, or SAS

<https://www.coursera.org/>

Stay up-to-date on current market trends by reading the Wall Street Journal, Bloomberg, Financial Times, Forbes, Kiplinger, Yahoo! Finance, Market Watch, or Reuters

Complete an internship

Many companies first look to their pool of interns when hiring for full-time positions

Should You Pursue an Additional Certification?

Your career goals will determine which certifications may be useful credentials.

A strong credential in this field is the Financial Risk Manager (FRM) certification. Compared to a Chartered Financial Analyst certification, the FRM is more specialized toward risk analysis and management. To be certified, you'll have to pass a two-level exam, costing between \$1,000 and \$1,500. For full certification, you will also need two years of professional work experience in risk management, but you can still include passing the exams on your resume. There are also other certifications that may be required or recommended for different positions.