

Effective Information Governance

ABSTRACT

It starts with the definition. Systemic Risk is the risk inherent to an entire market or market segment, so says one website. From the definition, we can already see that systemic risk is primarily concerned with the prevention of risks to The System. The System in question is the global financial "system." So the goal of Systemic Risk is the prevention of loss to those involved in The System.

You might ask, "why is Adler focusing on the obvious?" Well, I don't think it is that obvious who The System is and what their interests are. There are lots of well meaning people running around trying to craft new laws and methodologies to assess and prevent Systemic Risk. Most of them will fail without first understanding the needs and interests and goals of The System.

The Goal of every System should be to serve the needs and interests of The Customer. Corruption of The System is when individuals or groups place the needs of themselves as actors in The System above the needs of The Customer. When The System is mostly serving the needs of itself, it is mostly corrupt.

The Global Financial System has had corruption for decades. In the last decade, the influence of Systemic Actors exercising the needs of themselves over the needs of The Customer has become acute. The Financial Meltdown of the past 30 months is the result of this imbalance.

So I wonder, which new brew of experts and which new conference will measure the needs of The System and compare them to the needs of The Customer to assess Risk? I have a self-serving answer:

BIOGRAPHY

Steve Adler

Director, IBM Data Governance Program
IBM