

Operational Risk Management Consulting and SaaS



David Nolan
CEO & Founder

CEOCFO: Mr. Nolan, what is the concept behind Fusion Risk Management?

Mr. Nolan: Fusion Risk Management is a Software as a Service (“SaaS”) and Advisory Consulting firm that provides companies with the management systems that they need in order to manage operational risk. Our software products are designed to help companies prepare for potential business interruptions, plan for a more effective response, and manage through an actual incident. Risk managers at many firms focus on property, casualty and liability while facility managers focus on safety, salvage and restoration. Fusion’s focus is on business continuity and ensuring that an organization can continue to deliver its products and services under the most adverse circumstances.

CEOCFO: What is it about your system that is different, better, easier, faster than other systems available?

Mr. Nolan: The business continuity industry, which I have been in since 1987, has been centered on the concept of creating business continuity plans. The Fusion Framework System is the industry’s first business continuity management system that goes beyond planning to provide management and senior executives with the information they need to make decisions about where to spend limited funds and resources and to provide the information they need to make very difficult decisions when bad things are happening.

Two of the last three year Fusion has won the Business Continuity Institute Award for Innovation. Last August we were recognized by Gartner as a leader in their Magic Quadrant. What all that says is that the types of things that we are doing are designed to give companies better results without having to spend significant amounts of additional capital.

Fusion is also obsessively focused on customer success. This was reflected in the recent Gartner Research Magic Quadrant report which pointed out that Fusion ranked number one in the customer reference and operations score of all vendors. That is reflective of our commitment to provide a level of customer service and experience and expertise that delivers better results and helps organizations build more effective and efficient business continuity programs.

CEOCFO: What elements might your system look at or might your system ask a company to incorporate that others do not realize is important in assessing risk?

Mr. Nolan: The Fusion Framework focuses on all of the risk intersections in and around a business operation. We are most concerned with incidents that could disrupt the flow of products and services. Our system brings focus to single points of failure and provides executive leadership with dashboards indicating where operations are critical and vulnerable. At the same time it provides management and responders with critical data needed to minimize business impacts. A typical company will look at their own operations and those of critical suppliers, to ensure that they clearly understand how the organization works, how it might break, and how they can most effectively minimize impact.

CEOCFO: Why types of companies tend to look to you for service?

Mr. Nolan: We have a very enviable client base from the Fortune 100 through to Universities and organizations with fewer than 500 employees. The smaller organizations are typically companies that do business with larger ones and need to provide the assurance that they can be a trusted supplier as evidenced by having a solid business continuity program.

The system can scale to meet the needs of organizations with fewer than 500 employees up through the largest global enterprises with several hundred thousand employees and operations on every continent. For the smaller companies, the system provides them with a world class program quickly and easily at a very affordable price. For global enterprises, the system provides the power and functionality they need to manage far-reaching, complex operations. We have companies in the pharmaceutical, financial, retail, manufacturing, higher education, technology and utility verticals.

Business relationships are built on trust. The Fusion Solution provides the assurance that an organization has invested to make sure it can deliver. Virtually every company that has a B2B business model, or has investors and customers that depend on their ability to deliver is a target for Fusion.

Companies are now really beginning to focus on is the connection between business continuance and contractual commitments. Most companies will demand that suppliers have a solid business continuity program in place. They are now coming to realize that they themselves need one to satisfy their commitments. Demand flows up and down the supply chain. Business continuity management is moving into the critical path of gaining and retaining clients. We have seen companies lose opportunities, pay higher insurance premiums and have higher costs of capital because they have failed to build an adequate business continuity program. Too many companies think of Supply Chain Risk management as a procurement discipline and focus on financial viability and cost control. In fact the more likely and imminent risks come from supplier operations like a single location operating in the tornado belt or hurricane zone. We zero in on impacts that could affect an organization's ability to continue to operate.

CEOCFO: How deep will a company go when they are assessing risk? Should there always be a back up for everything?

Mr. Nolan: That is a great question! There is the old parable about putting all of your eggs in one basket. What we are really after are the single points of failure or those with substantial critical mass that could cause significant business impacts. It is actually fairly easy to zoom in on where single points of failure exist. Not every risk needs a plan. For example, we have a large manufacturer that was providing products to the retail industry. They were consumer products being sold through retail stores. The challenge for them was how to assure that certain products were going to make it to the store shelves. In some cases a simple plan to shift workload to surviving operations is all that is needed. In other cases, more creative answers are required. Many alternatives are not evident until a risk is identified and quantified. It is important to have basic information across the breadth of an organization to determine where to go deeper based on criticality, vulnerability and impact data.

"Fusion's focus is on business continuity and ensuring that an organization can continue to deliver its products and services under the most adverse circumstances... The CEO and CFO need to be risk managers in line with fulfillment of their fiduciary responsibilities. That means that the potential for catastrophic business impact needs to be understood and managed at the highest levels... The take away with Fusion Risk Management is that we are committed to keeping good companies in business under the worst possible circumstances and we provide the systems and the expertise to do that effectively and efficiently." - David Nolan

Every CEO and CFO out there is thinking about efficiency. The dark side of efficiency is operational risk. Consolidating three locations into one can bring welcome margin relief but carries with it the risk that now 100% of your capacity is in one place and there is nowhere to go to shift workload. The CEO and CFO need to be risk managers in line with fulfillment of their fiduciary responsibilities. That means that the potential for catastrophic business impact needs to be understood and managed at the highest levels.

CEOCFO: Are companies turning to you because they realize the complexity and that they should have help or is it often that they are surprised at the complexity once they have turned to you and see all of the moving pieces?

Mr. Nolan: I think it is a little bit of both. The truth is in most companies there are very few people who truly know how the place really works, especially as the company gets larger. Therefore, how a company might break is not all that obvious. To answer your question directly, companies are surprised by the complexity of their own operations and are often shocked by the number of points of failure. I think companies are also frustrated that they do not have the data they need. For the senior executives, particularly your target audience, nothing annoys a CEO and a CFO more than half cooked staff work. The Fusion Framework provides a comprehensive and objective system for managing operational risk and ensures that the company is aware of not only what it is doing, but also what needs to be done.

CEOCFO: What is next for Fusion Risk Management? What might be different a year from now?

Mr. Nolan: We are innovating at a relentless pace. We will introduce more technical innovation in 2015 than our life to date. That will essentially bring to life everything we have done so far. Over the next twelve months we will have the fully mobile incident and event management capability completely integrated with the back end command and control. Our clients will have the ability to capture all of the information about their operations, initiate a coordinated response to an actual incident, invoke a series of plans, manage and monitor the progress of the execution of those plans and restore

business operations more quickly and efficiently than ever thought possible. The Holy Grail in our industry is a system that can bring it all together and harness the collective intelligence of an organization for the benefit of the firm.

CEOCFO: *What surprised you as the company has grown and advanced?*

Mr. Nolan: What surprises me most is the stark contrast between companies that are and are not “risk aware”. Some executives seem content to brush business continuity to the side even though their livelihood, legacy, and career was tied to their ability to continue to operate under adverse circumstances. Our focus on providing management systems, coupled with the focus on supply chain risk is driving executive attention that is long overdue. The biggest surprise is the acceleration of demand as more senior executives understand their vulnerabilities and seek to truly manage operational risk. For Fusion, it is an exciting time and we are gratified that market-leading companies in virtually every industry have chosen Fusion as their trusted partner.

CEOCFO: *What should people remember most when they read about Fusion Risk Management?*

Mr. Nolan: The take away with Fusion Risk Management is that we are committed to keeping good companies in business under the worst possible circumstances and we provide the systems and the expertise to do that effectively and efficiently.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine



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