

## Workshop 16

### **The Digital Ecosystem and Model Risk Management**

**Addressed by Mr. Karthik Pasupathy**

During the session on risk management, the speaker emphasized the idea and importance of management in dealing with risks. They highlighted three approaches to address risks: avoidance, mitigation, and transfer. The concept of risk culture was discussed, emphasizing the need for a proactive and risk-aware environment. Different categories of risks were explored, starting with financial risk and analyzing market nature using fundamental theory and Porter's Five Forces Framework. Operational risk, involving system-driven and people-driven risks, was also highlighted. The infrastructural risk associated with physical infrastructure systems was discussed, along with model risk management, focusing on measuring the probability, intensity, and impact of risks. The session also emphasized the role of economic models in structured risk management. Overall, the session emphasized the importance of effective risk management for organizational resilience and success.

