



MnDOT Update: Enterprise Risk Management

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Your Destination...Our Priority





MnDOT Strategic Vision

- ❖ **Global leader in transportation committed to upholding public needs and collaboration with internal and external partners to create a safe, efficient and sustainable transportation system for the future.**





Enterprise Risk Management

- Supports organizational vision
- Improves internal communication
- Maximizes capital investments
- Maximizes operational investments
- Optimizes organizational resources
- Optimizes size of organization
- Provides for nimble responsiveness





Risk refers to the uncertainty that surrounds future events and outcomes. It is the expression of the likelihood and impact of an event with the potential to influence the achievement of an organization's objectives.

Risk management is a systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, acting on, and communicating risk issues.

Integrated risk management is a continuous, proactive, and systematic process to understand, manage, and communicate risk from an organization-wide perspective. It is about making strategic decisions that contribute to the achievement of an organization's overall corporate objectives.





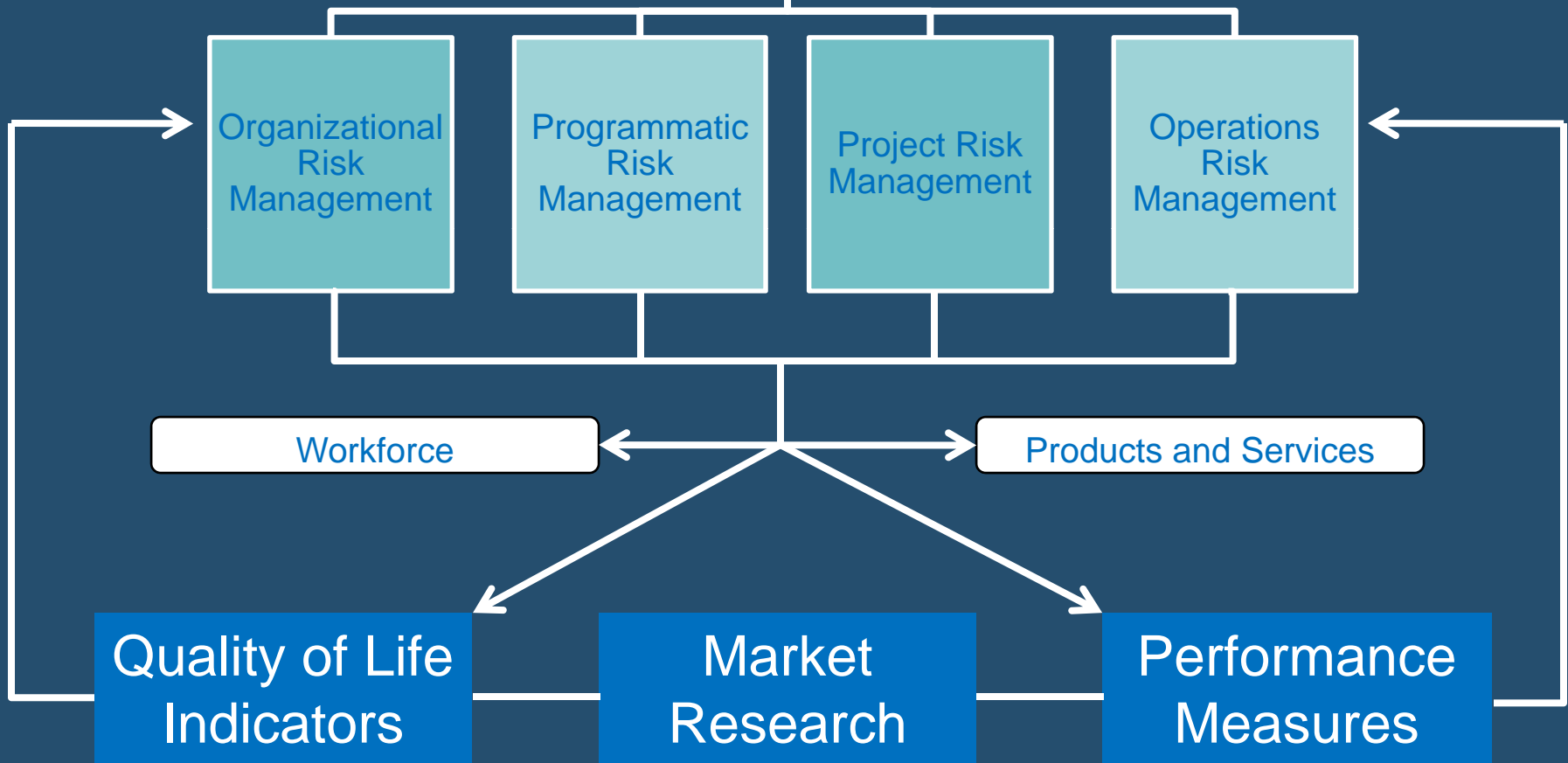
Enterprise Risk Management Results in Integrated:

- Risk Assessment
- Market Research
- Performance Management
- Quality of Life

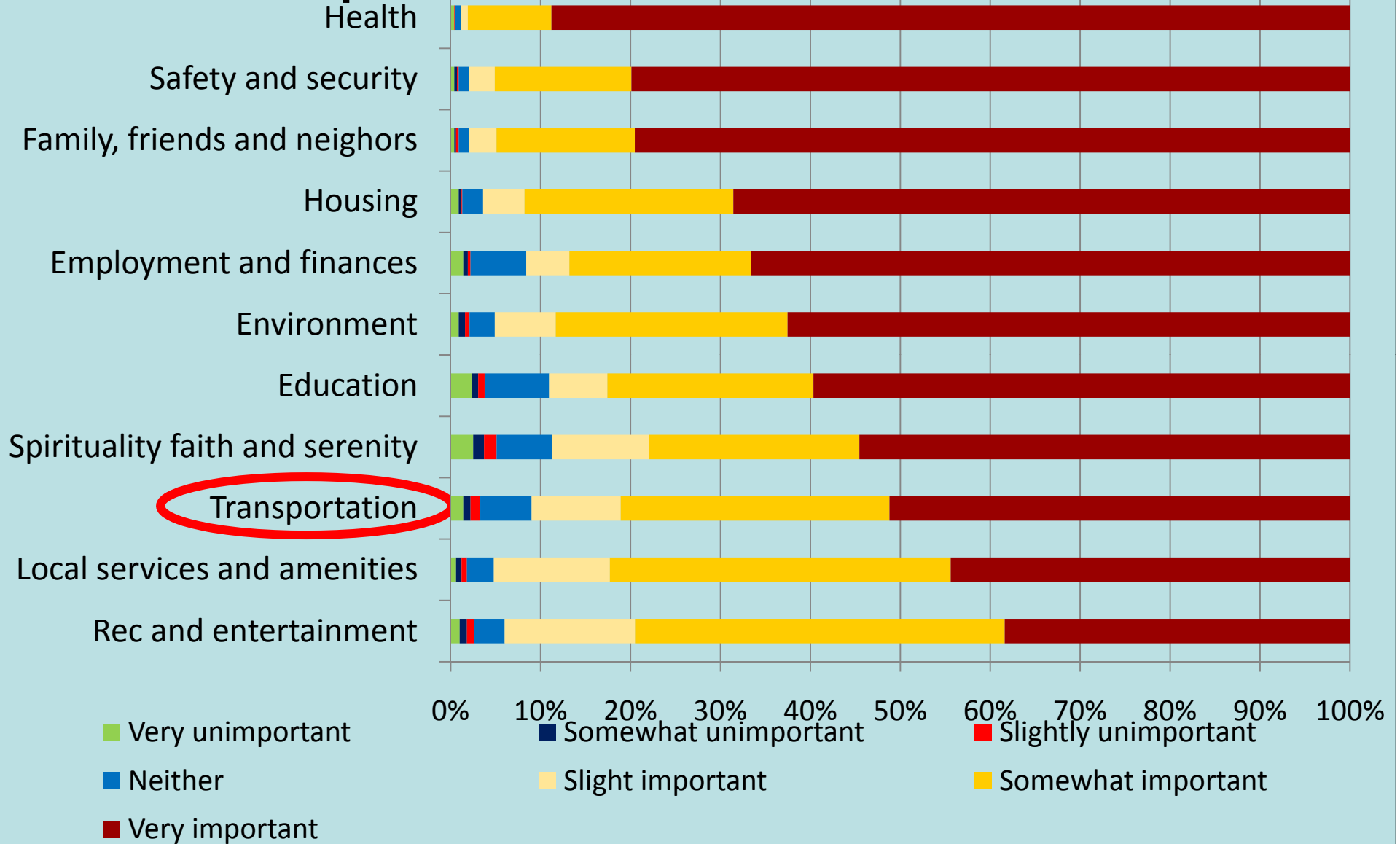




Enterprise Risk Management

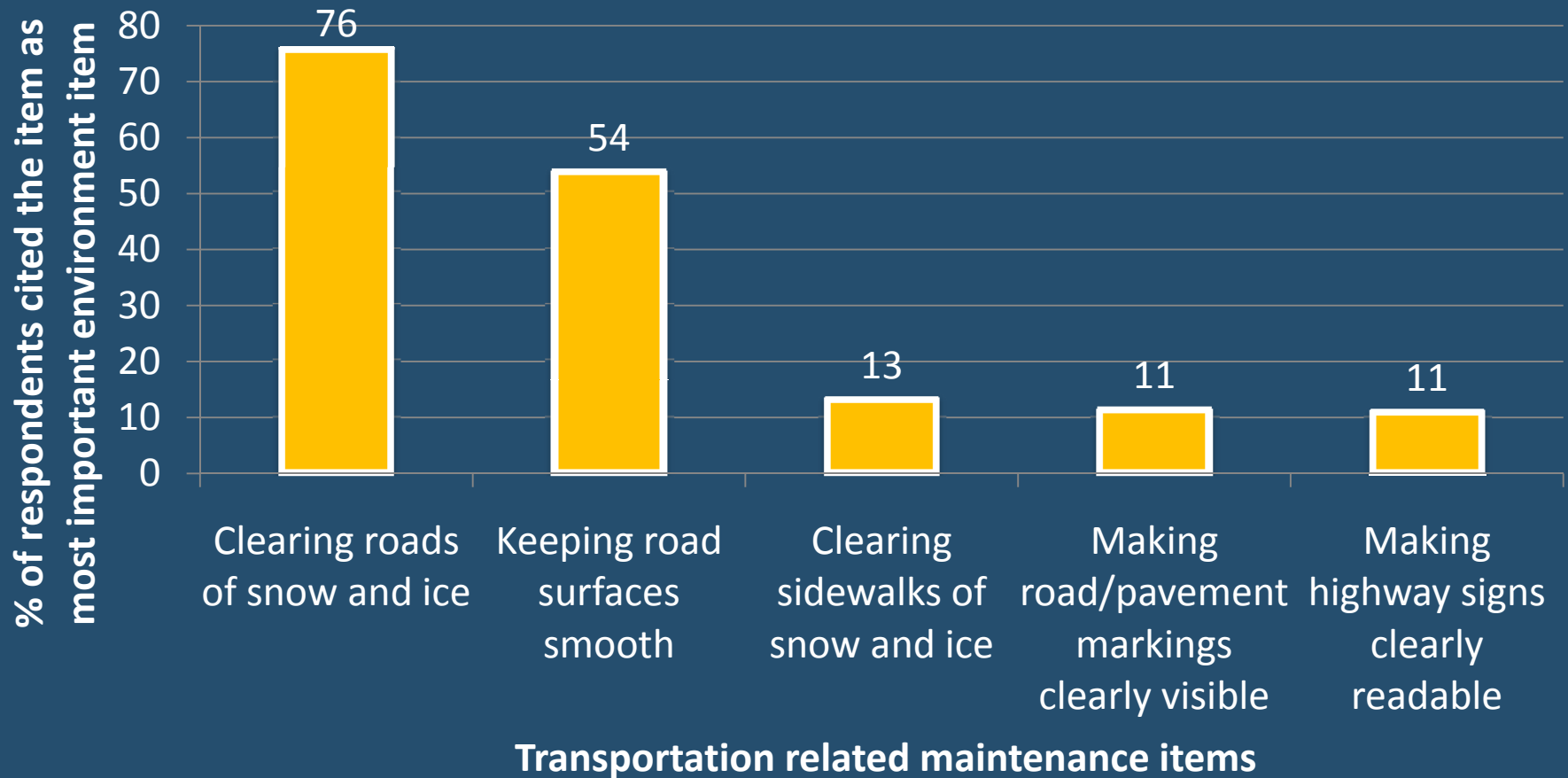


Importance of QOL areas





Exploring maintenance: most important items identified by 10%+





Organizational Risk Management

- Congruency with vision
- Established risk tolerance
- Stakeholder power wheel application
- More than 60 diverse workshops related to organizational decisions
- E-JAM (E-magination Jam)



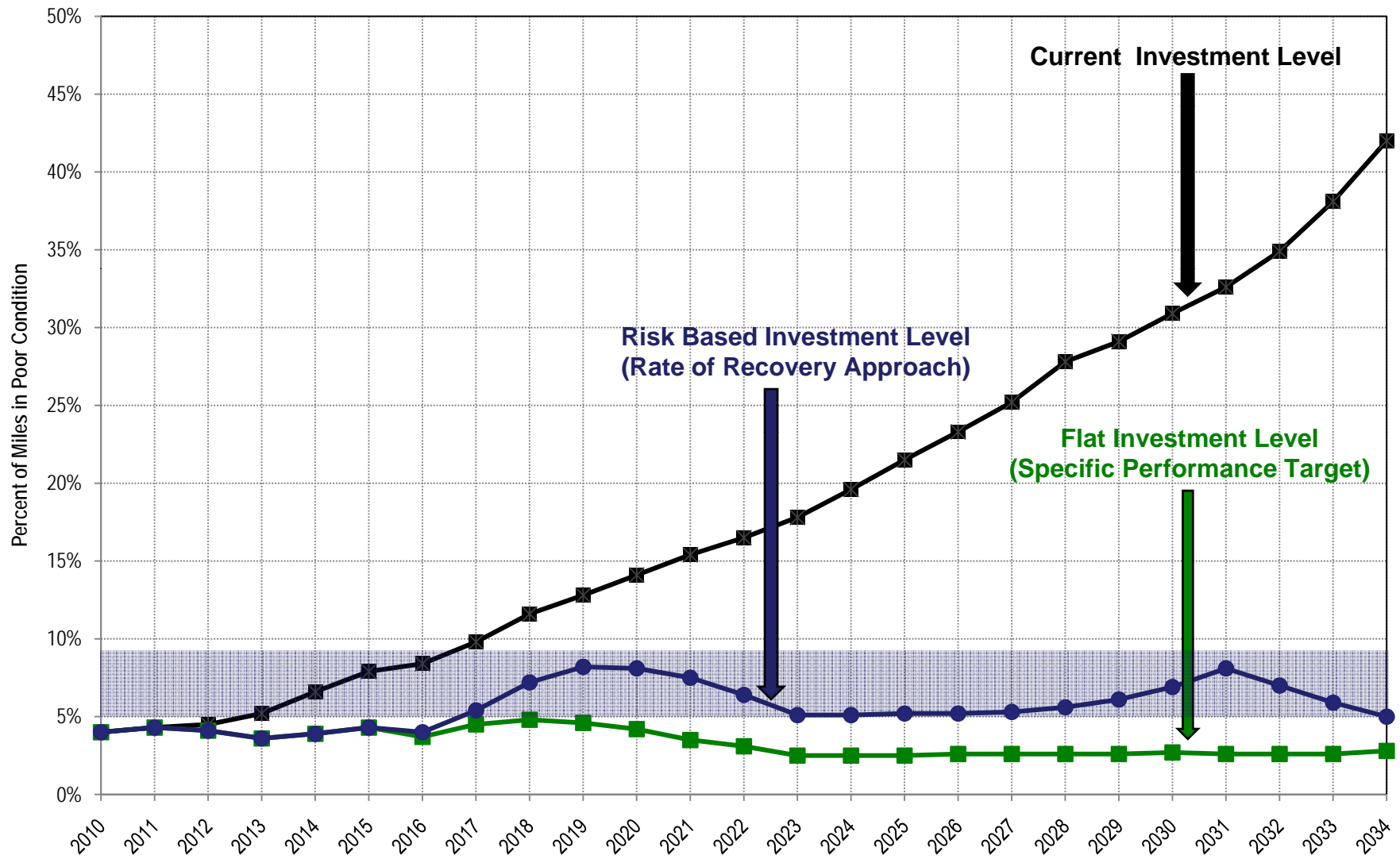


Programmatic Risk Management

- Balanced Program Risk Assessment
- Linkage to Investment Principles and Performance Measures
- Investments Mitigate Risks
- Rate of Recovery Approach
- Assess STIP
- Bridge Risk-Based Planning System (Bridge Risk Profiles)



Managing Pavements through Risk Management





Project Risk Management

- Respond to risk levels of each project
- Adjust design and performance
- Adjust resources to risk levels
- Examples:
 - 169-494 Performance Based Design
 - Paynesville Bypass
 - All major projects





Operations Risk Management

- Snow and Ice Control
- Highway Systems Operations Plan
 - Challenged proposed funding levels for needs
 - Resulted in \$189 million in possible savings
 - Recommended acceptance of more risk
 - Prioritized budget risks and will help future evaluations for budget cut or increase scenarios
 - The #1 investment priority need with current budget is to increase funding level for road salt due to price increases





Enterprise Risk Management

- Helps maximize efficiencies in tough times
- Provides the framework for an organization to be nimble and respond to ever-changing risks
- Transforms culture
- Provides focus on sustainable solutions
- Enhances performance management
- Responds to Quality of Life





MnDOT is on a journey!





Thank You!

