

Conclusion

In this book, we have described how operational risks can manifest inside any organization, including regulatory agencies that supervise financial institutions, and how they can fester and spill over and affect other organizations, customers, supervisory agencies, and markets in general. We have also shown how any organization can manage many of its operational risks by treating them as quality control problems. By applying the methods described here and discussed thoroughly by Christopher Marshall and especially Douglas Montgomery, an organization may be able to identify, analyze, and eliminate or reduce a particular operational risk before it becomes an operational failure, and potentially a catastrophic operational failure. Every well-meaning individual in an organization has an incentive to manage operational risks in this manner because it protects their job, their organization, and the organization's clients from potentially dangerous processes, people, and systems.