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Bankruptcy Prediction: A Literature Review Of Enterprise Risk Management (ERM) Approaches Financial Management Review

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ABSTRACT

The concept of bankruptcy in financial management also includes the analysis of a company's financial health, involving the evaluation of financial ratios, liquidity, solvency, and operational efficiency. The objective of this research is to determine whether the Enterprise Risk Management approach can be used to predict the risk of bankruptcy in the context of corporate financial management and to identify the advantages and limitations of the Enterprise Risk Management approach in predicting bankruptcy risk compared to other traditional methods in financial management. The method used in this research is reflective of a systematic approach applied in conducting a literature review to support understanding of bankruptcy prediction through the Enterprise Risk Management (ERM) approach in the context of financial management. The findings of this research indicate that through its holistic approach, ERM also considers operational, reputational, and strategic risks, which may potentially contribute to bankruptcy risk. However, the implementation of ERM often requires significant time and resources, and obtaining the necessary data can be challenging.

Keywords: Bankruptcy, ERM, Financial Management.

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INTRODUCTION

Bankruptcy is the condition in which a company or entity No capable pay obligation financial, both term debt short as well as term debt long, mature. Definition bankruptcy No only covers aspect finance only, but also reflects inability company For maintain its operations in a way effective. According to (Wahyuni, 2019) By general, bankruptcy can happen when obligation financial exceed assets owned, resulting inability For fulfil obligation or debt payments. Draft bankruptcy in management finances also include analysis health finance company, involving evaluation ratio finance, liquidity, solvency, and efficiency operational (Vavrek et al., 2021). Bankruptcy is also possible understood as something form risk financial need attention and careful management so that it can anticipated and addressed. In order to reach objective sustainability and growth, management finance company need understand and manage potency risk bankruptcy with the right strategy, such as use method predictions sophisticated risks, which can involve enterprise risk management approach.

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Importance understand and be able predict risk bankruptcy for company No can ignored in context management finance. Along with complexity and dynamics of markets, companies need own deep insight to potency risk finances are possible threaten continuity operational they. According to (Fau, 2021) Understand risk bankruptcy become crucial Because success or failure company often related tightly with management effective finance. With predict risk bankruptcy, company can take steps prevention and management proactive risk, incl restructurisation finance, management liquidity, and improvement efficiency operational (Al Breiki & Nobanee, 2019) . Ability For project potency risk bankruptcy also provides base for company For develop financial strategies period long, obtain source Power necessary finances, and building resilience to market fluctuations.

Good understanding to risk bankruptcy possible company For more Good guard trust of investors, creditors and stakeholders interest other. With So, predictions risk bankruptcy No only works as tool management risk, but also as instrument encouraging strategy sustainability and growth sustainable for companies in the environment dynamic business. Counting (Fauziah & Vinola Herawaty, 2023) Methods traditional in predictions bankruptcy has become focus main in study management finance during a number of decade final. One of the most well-known approach is the Altman z-score model developed by professor Edward I. Altman in 1968 (Elia et al., 2021) . This model combine a number of ratio finance like ratio liquidity, profitability, leverage, activity, and stability For produce Predictive score possibility bankruptcy. Analysis ratio finances are also frequent used as tool For predict risk bankruptcy with evaluate health finance company through ratio like ratio debt to capital, ratio current, and ratio profit clean to sale.

Statistical methods others, like analysis discriminant and regression logistics, is also used in literature For modeling connection between various variable finance and probability bankruptcy. Although methods This has proven effective in a number of case, they also have limitations, esp in face environment dynamic business and complexity increasingly financial increase. According to (Al Ayubi et al., 2022) about methods traditional this also highlights importance development more approach advanced and comprehensive, incl integration technique predictions bankruptcy with enterprise risk management approach, for increase accuracy and precision in anticipate risk finances are possible threaten stability company. Enterprise Risk Management has become things are getting more and more important in management risk company. Enterprise Risk Management (ERM) is approach systematically designed For identify, evaluate, and manage risk in a way thorough throughout organization. His role in management risk very significant company because ERM makes it possible company For integrating management processes risk to in all aspect operations and decisions strategic. With ERM, companies can face risk in a way more efficient and effective, as well identify possible opportunities missed. ERM also helps company in anticipate and adapt self with change environment fast and dynamic business, incl face challenge like change regulation , market volatility, and change technology. Additionally, ERM makes it possible company For understand connection between various associated risks and their impacts to objective business period long (Hendratni et al., 2022) . With apply ERM approach, company can optimizing allocation source power , reduce vulnerability to risk , and increase ability they For reach objective strategic. In context management risk company, introduction the ERM concept is crucial step going to achievement sustainability, growth and resilience in face challenge complex and diverse business. Enterprise Risk Management involves series comprehensive steps in identify, evaluate, and manage risk finance, incl risk bankruptcy (Otero González et al., 2020) .

The nature of ERM is identification risk, which involves recognition and understanding to various type possible risks faced company, incl risk finances are possible impact on sustainability operational. This includes identification factors that can cause risk bankruptcy, like high debt levels, low liquidity, or significant market fluctuations. According to (Wahyuni, 2019) After risk identified, steps furthermore is evaluation risk, where the company evaluate probability happen risks and impacts to objective business. Evaluation risk finance involve analysis deep to health finance company, incl evaluation ratio finance, projections cash flow, and analysis sensitivity to

factor external that can influence performance finance. Next, management risk finance done with designing strategies and steps mitigation For reduce or manage risk identified bankruptcy. This can covers diversification portfolio, debt management with more carefully, or implementation instrument finance derivatives For protect company from market fluctuations are not desired.
Through this ERM approach, the company can increase ability they in face risk finance, incl risk bankruptcy, with optimizing use source power and reduce vulnerability to factors external that can cause instability finance. Approach Enterprise Risk Management can used as tool For predict and manage risk bankruptcy is an increasingly growing area develop in study management risk. According to (Yakob et al., 2016). The ERM approach delivers framework comprehensive work For identify, evaluate, and manage risk in a way holistic throughout organization. In context risk bankruptcy, ERM allows company For obtain more understanding deep to factors possible risks cause inability For fulfil obligation finance. With integrate aspect financial, operational and strategic in the management process risk, the ERM approach can help company in predict possibility risk bankruptcy and take steps proper prevention.

Engaging use tool sophisticated analysis, including mathematical models, simulations, and analysis scenario, for estimate potency impact risk finances on health finance company. ERM is also possible company For designing management strategies effective risk, such as diversification portfolio, prudent debt management, and hedging strategies value, for reduce or manage risk bankruptcy with more efficient. According to (Wiryono, 2008) Risk factors bankruptcy is a must considered in approach Enterprise Risk Management becomes step crucial in effort For strengthen resilience finance company. One of factor risk main thing that is necessary considered is high debt levels, which can increase risk bankruptcy If No managed with Good. Risk liquidity is also a important factor, because inability For fulfil obligation overdue finances can be leads to bankruptcy. Market variability and fluctuations economy is other factors are a must pay attention, because change in market and economic conditions can influence performance finance company in a way significant (Ahinful et al., 2023) . Risk operational, like failure system or internal processes, can also be cause instability financial potential cause bankruptcy.

Change regulations or policy the government can too become factor significant risk, because can change condition operational and financial company with fast and not expected. In the ERM approach, identify factors risk bankruptcy This become base For designing management strategies effective risk, such as development policy Careful finances, diversification portfolio, and management careful liquidity. According to (Daya et al., 2019a) With consider factors risk This in a way comprehensive, company can strengthen resilience they to risk bankruptcy and minimizing impact the negative to continuity business period long . Benefits and advantages use Enterprise Risk Management in predictions risk bankruptcy is very significant in context management risk company. One of benefit The main points of ERM are his abilities For give a comprehensive and integrated view to risks throughout organization . With approach this, company can identify and evaluate risk bankruptcy No only from facet finance, but also from perspective operational, strategic, and reputation. Possible company For obtain more understanding deep to complexity and interconnection possible risks influence stability finance they. ERM is also possible company For designing management strategies more risk effective and proactive. With utilise tool Sophisticated analysis and techniques precise modeling, company can estimate potency impact risk bankruptcy with more accurate, so possible they For take steps proper prevention *with more appropriate time (Jakob et al., 2016)* . ERM makes it possible company For identify related opportunities with risk bankruptcy, like opportunity investment or growth strategy new, which is possible missed If No use comprehensive approach. With integrate ERM in the retrieval process decision, company can increase ability they For respond with fast to change market conditions and optimize use source Power.
Related grand theory with Enterprise Risk Management (ERM) is theory agency, Enterprise Risk Management is one method used management For fulfil desire owner share in enhancement performance company achieved through success in management risk (Qulyubi et al., 2023) . This theory state that is a structured and continuous process prepared and implemented by the parties

management For ensure adequate confidence that all possible risks impact negative on value company has arranged with careful in accordance with level possible risks accepted by the company (Malik, 2017) . In context this, management risk No only seen as task department finance or security, but as not quite enough involved answer all over management company. With focus on management risk in a way comprehensive, ERM makes it possible company For understand and face originating risks from various aspect, like operational, financial, reputation and strategic (Lubis & Imsar, 2022) . As pack important of ERM is identification risk. The company does analysis deep For identify various potency possible risks influence performance and goals they. This includes risk operational like failure system , risk finance like fluctuation currency (Daya et al., 2019) , risk possible reputation arise from decision business , and risk related strategies with change in environment business. Identification risk This help company For understand context business them and design management strategies appropriate risk. ERM is evaluation risk, company evaluate impact potential and probability happen every identified risks (Atikah & Corralynn, 2023) . This matter possible company For evaluate level severity risk and determine priority in manage risks the. With more understanding deep about risks this, company can take more decisions informational and prioritizing source Power For manage most significant risk.

ERM involves development of strategy and tactics For manage risk. This includes steps proactive For relieve risk, allocate source required power , and design plan emergency If risk happen (Warella et al, 2023) . Management effective risk involve all over organization, encouraging cooperation interdepartmental, and ensuring that all over staff understand role they in manage Company risks (Muthmainnah et al., 2019) . Enterprise Risk Management is not only about avoid risk, but also about understand, manage, and retrieve the right decision related risks the. Approach This create strong foundation For growth sustainability and resilience company in the middle dynamics environment always business changed. Deep goals study This is For know approach Enterprise Risk Management can used For predict risk bankruptcy in context management finance company and for know advantages and limitations approach Enterprise Risk Management in predict risk bankruptcy compared to with method traditional other in management finance.

METHODS

Study This reflect approach applied systematically in do study literature review (Snyder, 2019) For support understanding about predictions bankruptcy through approach Enterprise Risk Management (ERM) in review management finance. Steps detailed and thorough done in access various source through diverse research databases, with emphasis on selection relevant literature and focuses on space scope study (Zhang et al., 2021) . Google Scholar, science direct made source main For get access to literature related latest with issues predictions bankruptcy and the ERM approach in management finance. Selection process literature started with Determining highly relevant keywords with focus research, such as " prediction bankruptcy," and " Enterprise Risk Management (ERM)." Initial steps This involve accuracy in keyword determination For ensure relevance with question proposed research.

Search literature done in a way careful and thorough , make sure that accessed sources originate from credible and appropriate research databases with field study This (Budianto & Dewi, 2023) . Type of literature sought covers article scientific, books, journals and publications others who are special discuss about predictions bankruptcy and the ERM approach in management finance. Selection process literature involve rigorous analysis to every found sources, with emphasis on quality and relevance to the issues studied in study This. Evaluation done For ensure selected literature own quality tall and able give contribution significant to framework conceptual study. Search method literature held in a way systematic and structured, maintaining accuracy in build base solid and relevant theory For support study This. Approach This give strong foundation for study about predictions bankruptcy through deep ERM approach review management finance.

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RESULTS AND DISCUSSION

Selection process article follow guidelines from *Preferred Reporting Systematic Reviews* and Meta- analysis (PRISMA) and consists from a number of stage. Stage beginning involve search articles, and on stage this, amount articles found in period 2020-2023 is as many as 15 articles. Then, continue with screening stage, where the articles This analyzed more carry on. After the *screening* process, a total of 5 articles were selected chosen For continue to stage furthermore. Stage next is evaluation quality articles, where every article checked For ensure reliability and quality. Result of stage evaluation This is that 5 articles fulfil terms and conditions included in report end study from References. This reflects the selection process rigorous and systematic articles in accordance with PRISMA guide.

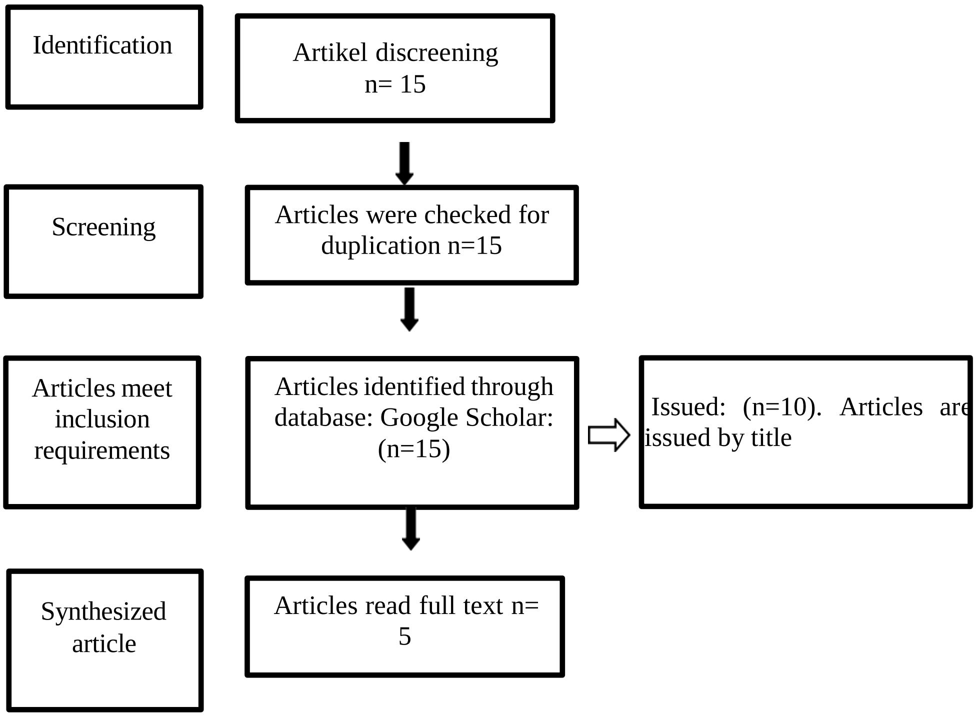

Chart 1. PRISMA diagram

Researcher run the retrieval process decision related articles found regarding with issue study this, as well do identification from every contained articles in every database accessed. Based on articles said, done review deep related Prediction Bankruptcy : A Literature Review Approach Enterprise Risk Management (ERM) Overview Management Finance.

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Table 1. Prediction Bankruptcy : A Literature Review Approach *Enterprise Risk Management* (ERM) Overview Management Finance

Title and Researchers	Objective	Results
Analysis Management Risk with Approach Enterprise Risk Management in Food MSMEs Wet Padang Panjang City. (Sari, 2022)	The purpose of study This is For know risks classified as low risk, medium risk and high risk in food MSMEs wet city Padangpanjang.	From the score the risks involved in that the most prioritized risks is about plan development effort, no make report finance, no There is brand effort, no utilise design house, and not utilise social media.
Analysis Management Risk Operational Based on Approach Enterprise Risk Management (ERM) at Ud. Anugrah Rantauprapat Branch (Lubis & Imsar, 2022b)	The purpose of study This is For know how much big influence advertising, COD system and free shipping promo to decision purchases on the TikTok Shop among people UIN North Sumatra student.	Research result show that advertising , COD system and free shipping promo influential positive and significant to decision purchase in a way simultaneous. Testing in a way Partial produce : advertising influential significant to decision purchase showed with mark tcount 1990 and ttable 1985.
Analysis Risk Operational Based on Approach Enterprise	The purpose of study This is For identify possible risks happened in a company, then	From the calculations carried out in research, it is known necessary risks prioritized and controlled later is system

Source : Processed Data Researcher, 2024

Condition world economy affects development in the business world especially the economy in Indonesia is still Not yet uncertain, p This result risk high on something company For experience difficulty finance condition like This will influence activities, performance, and finances company, fine company small nor big so that Lots bankrupt company. According to results study (Andriyani et al., 2018) ratio profitability influential against financial distress, meanwhile ratio liquidity and ratios solvency No influential against financial distress. Coefficient determination obtained amounting to 0.870 which shows that 87% of financial distress conditions can occur explained by the ratio liquidity, profitability and solvency whereas the remaining 13% of financial distress conditions are influenced by variables others who don't researched in study This.

Quality profit generated from AERC regression with add CFO value to in the AERC equation is quality profit after corrected with the CFO, so AERC value is more Good reflect quality profit actual. Operational cash flow play role in evaluate quality profit, temporary give strengthening that the ERC regression model fails detect stock market reaction to relevant information with mark aggregate profit accountancy. Companies with low leverage, growth high company, profitability high , and company scale big tend make disclosure volunteer more complete with hope give more information comprehensive to investors or potential investors (Paramita et al., 2020) . Governance company proxied by the audit committee, audit quality, and commissioner independent. According to results study (Jariah, 2021) Company value is something important thing for a manager nor for an investor. The value of the company is investors' perceptions of company, which is often linked with price share. If one manager capable For increase mark company so manager the has show performance Good for the Company (Wijayanti, 2016) . Whereas for improvement investors mark company is something good perception to company.

Integration of approaches Enterprise Risk Management (ERM) with management risk finance is an important strategy in guard stability Company finances (Shad et al., 2019) . ERM delivers comprehensive approach with integrating management processes risk to in all aspect operations and decisions finance company. This matter means that in every activity operations and retrieval decision finance, company in a way active consider factor risk possible potential influence health finance them, incl risk bankruptcy. According to (Sabariman, 2019) The ERM approach makes it possible company For do identification risk bankruptcy with more good with take into account various aspect like market conditions, conditions economics, and internal company factors. ERM is also possible evaluation risk more bankruptcies comprehensive, with combine indicator finance traditional with analysis qualitative and analysis scenario For understand potency impact from various identified risks (Wijayanti & Ermawati, 2022) . ERM delivers framework strong work For management risk bankruptcy, with designing appropriate mitigation strategies and monitoring risk in a way continously For identify change conditions that can influence risk the. Emphasis on approach holistic Enterprise Risk Management (ERM) shows awareness will importance consider various type possible risks influence finance company in a way comprehensive. According to (Wulandari, 2023) ERM does not only focus on risk finance only, but also take into account risk operational, reputational and strategic. Risk operational, like failure system or internal processes, can own significant impact to performance finance company If No managed with Good. As well as risk reputation, that can be cause lost trust customer or investors, so impact on revenue and performance finance in a way whole. Risk strategic, like change regulations or development Fast technology, too influence continuity business and capabilities company For fulfil obligation finance.

In context risk bankruptcy, comprehensive understanding to all type risk this is very important, because they can contribute in a way significant to potency risk bankruptcy (Bărbuță-Mișu & Madaleno, 2020) . With adopt approach holistic ERM, enterprise can obtain more understanding Good about How various risk This each other related and how they can influence health finance company. This matter possible company For designing management strategies more risk effective, which is not only protect company from risk bankruptcy, but also strengthening position they in face challenge complex and diverse business. According to (Gamayanti, 2016) Financial health company become focus main in use approach Enterprise Risk Management (ERM). With use approach this, company can do evaluation comprehensive to health finance they with more effective. ERM makes it possible company For combine indicator finance traditional with metric relevant risks For predict possibility risk bankruptcy.

Through approach this, company can use various indicator finance like ratio finances, cash flow, and profits clean For get more understanding in about health finance they. Additionally, with consider factor relevant risks, such as market volatility or fluctuation economy, company can evaluate impact potential from risk financial bankruptcy they. According to (Sari, 2022) Use metric relevant risks are also possible company For identify vulnerable areas to risk bankruptcy and take action appropriate precautions .Use of models and techniques analysis become an integral part of approach Enterprise Risk Management (ERM) in identify and evaluate factors contributing risks to risk bankruptcy. ERM utilizes mathematical models, analysis statistics, and engineering modeling other For obtain deep understanding about complexity and interconnection possible risks faced by the Company (Etges et al., 2019) .

Through mathematical models, companies can do simulation and analysis scenario For estimate impact potential from various risk finance to health finance company. Analysis statistics are also used For identify trends, patterns, and correlations between various variable finances and factors risk, so possible company For understand connection possible causes There is. According to (Lubis & Imsar, 2022b) technique modeling others, like analysis sensitivity or analysis regression, is used For measure level uncertainty and identify factors main contributor to risk bankruptcy. Information obtained from models and analysis This Then used by management company For take the right decision in manage risk bankruptcy. For example, results analysis can used For designing effective mitigation strategies, prioritizing source power, or adapt plan business in accordance with changing market conditions. Management role liquidity and debt become focus important in approach Enterprise Risk Management (ERM) for prevent risk bankruptcy.

ERM strengthens role This with give holistic view to management liquidity and debt, which constitute factor key in guard stability finance company. With using ERM, the company can do careful monitoring to its cash flow and liquidity, ensuring that they own sufficient reserves For fulfil obligation financial maturity. This is very important For prevent the situation in which the company No can fulfil obligation his finances in a way appropriate time , which can cause risk bankruptcy. According to (Sirait & Susanty, 2016a) ERM also helps company in manage their debt with more effective, with consider healthy and ensuring debt ratios that debt levels do not exceeds the acceptable limit managed. With understand with clear associated risks with liquidity and debt, company can designing management strategies appropriate risks, such as diversification source funding or debt restructuring, for reduce potency risk bankruptcy. Evaluation factor external is part important from approach. Enterprise Risk Management (ERM) in guard health finance company. The ERM approach does not only take into account internal factors that influence risk bankruptcy, but also admit possible impact caused by factors external ones do n't can controlled by the company. This includes change market conditions, such as fluctuation price commodity or volatility currency, which can be impact directly on performance finance company. Apart from that, regulations the government can too own impact significant to finance company, fine through change rule taxes, policies fiscal, or condition new law (Sirait & Susanty, 2016b) . Influence condition neither does the global economy Can ignored, because change in growth economy, level ethnic group flowers, or instability geopolitics can influence in a way direct condition finance company. In context This, ERM approach makes it possible company For in a way continously monitor and evaluate factors external this, as well understand How they can potential influence health finance company.

Implementation of management strategies effective riskvbecome key in minimize risk bankruptcy, and approach Enterprise Risk Management (ERM) provides solid foundation For design and implement the strategy. One common strategy used is diversification portfolio, where the company allocate investment to various instrument finance or sector industry For reduce risk whole. According to (Otero González et al., 2020) With adopt ERM approach, company can make decision more investment informational and based risk, which is possible they For expand portfolio they with appropriate way with tolerance risk they. Apart from that, management more liquidity careful become focus main in ERM approach, where the company monitor and manage their cash flow with more Be careful For ensure that they own sufficient reserves For face situation emergency or uncertainty economy. With take into account risk liquidity in a way more holistic, company can take steps proper prevention, such as adapt policy payment or do diversification source funding.

The ERM approach is also encouraging development of protection strategies effective value (hedging), where the company protect self from fluctuation price or mark detrimental exchange with use instrument derivatives or hedging strategy mark other. According to (Kuncorowati et al., 2018) Advantages and limitations approach Enterprise Risk Management (ERM) in predict risk bankruptcy compared to with method traditional other in management finance as ERM provides holistic approach to management risk, which is possible company For consider risk bankruptcy No only from facet finance, but also from perspective operational, reputation, strategic, and others. This matter possible company For understand risk in a way thorough and taking appropriate action. ERM accommodates evaluation factor external that can influence risk bankruptcy, like market conditions, regulations government, and conditions global economy. With take into account factors this, company can obtain more understanding Good about environment business them and anticipate possible changes influence condition finance.

ERM utilizes mathematical models, analysis statistics, and engineering modeling advanced For identify and evaluate risk bankruptcy with more accurate. With So, company can use more data and information deep For make more decisions Good. Implementation approach Enterprise Risk Management (ERM) indeed often demanding investment time and resources great power. Counting (Afandi et al., 2019). Challenge mainly lies in suitability with scale and capabilities companies, esp for more organization small or own limitations source Power. Comprehensive ERM implementation process need involvement from various levels and departments in company, as well deep understanding about risks faced. For more companies small, p This Possible difficult done Because they Possible own structure more organization simple and limited source Power man. Additionally, costs are involved in practice staff, develop system, and monitoring ERM implementation can also be done become obstacle for company that owns budget limited.

Companies need adapt their ERM approach with scale and capabilities they prioritize most significant risks, and adopt appropriate strategies with need they. Although So, it's important for company, regardless from size, for understand benefit period long from ERM implementation and efforts For integrate practice management effective risk to in operation they For increase durability and safety finance they. According to (Fazariliawan, 2021). Obtain the necessary data For apply approach Enterprise Risk Management (ERM) with effective often become challenge separately for company. This matter especially applies in matter information external like market conditions or regulation government. External data sources often spread across various platforms or different institutions, and separate data collection processes This can eat time and resources significant power. Additionally, the data is available Possible No always complete or relevant with need analysis risk company. For example, market data is not latest or regulatory data that does not complete can produce insufficient analysis accurate and capable influence predictions risk bankruptcy.

Apart from limitations in data access and quality, companies must also overcome challenge in managing large and complex volumes of data. Efficient data integration, processing and analysis need infrastructure Strong technology and well trained staff. Therefore that 's important for company For developing effective data collection and management strategies, incl collaboration with party external that can providing relevant and up to date data. With notice challenge this, company can minimize impact data limitations on accuracy predictions risk bankruptcy and upgrading effectiveness their ERM approach (Wiryani et al., 2013) . Measuring and assessing risk bankruptcy with appropriate of course is complex challenges in management risk company. Risk bankruptcy often not measurable in a way straight away and get it influenced by various mutual internal and external factors related. Challenge mainly lies in complexity from risk bankruptcy That yourself, you can covers factors like market volatility, fluctuation economic, conditions industry, and performance company.

Risk bankruptcy is also possible arise from internal factors such as capital structure, liquidity, and efficiency operational company (Pirogova et al., 2019) . Uncertainty in predict risk bankruptcy also emerged Because exists factors difficult external predictable, like change regulations government, development technology, or condition political and social. Change This can own significant impact to health finance company, but difficult For taken into account in a way accurate in analysis risk (Subagyo & Fauji, 2019) . For overcome challenge this, company need adopt a holistic and structured approach in measure and assess risk bankruptcy (Kozlovskyi et al., 2019) . This matter involve use various method analysis, incl analysis ratio finance, analysis statistics, and engineering modeling advanced For identify and measure risk in a way comprehensive . Use of simulation and analysis models scenarios can also be done help company in anticipate impact from various possibility change market conditions or industry. Although challenge in measure and assess risk bankruptcy Possible complex, appropriate effort and commitment For increase understanding to risk the can help company For reduce uncertainty and taking more decisions Good in management risk finance.

CONCLUSION

Approach Enterprise Risk Management (ERM) is a very important strategy in predict and manage risk bankruptcy in context management finance company. ERM delivers approach comprehensive with integrating management processes risk to in all aspect operations and decisions finance company. This is possible company For in a way active consider factor risk possible potential influence health finance them, incl risk bankruptcy. The ERM approach makes it possible company For do identification risk bankruptcy with more good with take into account various aspect like market conditions, conditions economics, and internal company factors. ERM is also possible evaluation risk more bankruptcies comprehensive, with combine indicator finance traditional with analysis qualitative and analysis scenario.

ERM give framework strong work For management risk bankruptcy, with designing appropriate mitigation strategies and monitoring risk in a way continously For identify change conditions that can influence risk the. Through approach holistically, ERM also takes into account risk operational, reputational, and strategic, which can be potential contribute to risk bankruptcy. However, ERM implementation is often need time and resources significant power, and obtain the necessary data can become difficult. Measuring and assessing risk bankruptcy with right is also challenge, because risk the often complex and not measurable in a way direct. With notice challenge and take it the right steps For overcome them, the company can utilise superiority deep ERM approach predict risk bankruptcy and upgrading resilience finance they in face environment dynamic and complex business.

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