The application of enterprise risk management in global expansion strategy: a comparative study of Brookfield asset management and Evergrande group

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Abstract. This paper explores the key role of ERM in the global expansion strategy through a comparative case study of Brookfield Asset Management and China Evergrande Group. Based on the COSO framework and dynamic capability theory, this research analyzes the practical effects of ERM from dimensions such as governance structure, strategic adaptability, and expansion results. The results show that Brookfield has deeply integrated its mature ERM mechanism into its real estate investment strategy, achieving stable international expansion and excellent ESG performance. However, due to the lack of institutionalized risk management, Evergrande operated with high leverage and failed governance, eventually falling into a financial crisis. The research reveals significant differences between the two enterprises in terms of risk governance structure, identification mechanism, strategic fit and regulatory compliance, highlighting the core value of ERM as a dynamic capability in responding to global uncertainties. This paper provides case support for theoretical research on the strategic value of ERM and offers practical suggestions to enterprise managers and regulatory authorities. The research's limitations lie in the limited sample size and the lack of quantitative analysis. Subsequent studies can expand to industries and samples and establish a quantitative ERM evaluation system.

1 Introduction

In recent years, with the continuous deepening of the globalization process and the accelerated evolution of the world economic pattern, the international expansion of enterprises has become an important strategic path for obtaining resources, expanding markets and enhancing competitive advantages. However, the highly interrelated nature of the global economy has also brought about unprecedentedly complex risks: international trade frictions, geopolitical tensions, global interest rate fluctuations, cross-border regulatory compliance, cultural differences and supply chain disruptions, etc., which make enterprises face more uncertainties in the process of "going global". Against this backdrop, how to effectively identify, assess and respond to multi-dimensional risks while maintaining growth

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has become a core issue in global enterprise strategic management.

Meanwhile, in recent years, systemic Risk events have occurred frequently in the international financial market, promoting the academic and practical communities to pay increasing attention to the functional role of Enterprise Risk Management (ERM) in strategic decision-making. ERM has gradually evolved from an early risk compliance tool into an enterprise governance system that runs through the entire process of strategy formulation, resource allocation, and operational control. Especially in the context of global expansion of enterprises, risk is no longer a single financial or operational issue, but a strategic variable with cross-regional and cross-system spillover effects. Therefore, ERM, as an integrated risk governance framework, is increasingly becoming an important component of enterprises' global strategic management [1].

At present, ERM is not only widely adopted in large multinational companies, but its strategic value is also gradually emerging in multiple industries [2, 3], especially in risk-sensitive industries such as cross-border investment, finance, energy and real estate. However, in China, although an increasing number of enterprises are confronted with complex environments in their "going global" efforts, the integration of ERM into corporate strategies is generally not high. The lagging institutionalization, ambiguous functional boundaries, and weak strategic connections have led many enterprises to expose significant risks and hidden dangers during their expansion. A typical case is China Evergrande Group. During its rapid expansion, its high-leverage operation and inefficient risk control mechanism eventually led to debt default and a global financial chain reaction, reflecting the direct impact of the absence of ERM on the failure of corporate strategy.

Relatively speaking, international mature enterprises such as Brookfield Asset Management have demonstrated a high degree of foresight and systematicness in risk governance. As a globally leading alternative asset management company, Brookfield has expanded in high-risk industries such as energy, infrastructure and real estate, and its risk management mechanism has been deeply integrated into its global strategy. In contrast, although Evergrande once achieved rapid growth in business scale and international layout, it fell into a crisis due to the absence of an ERM system. This difference reflects that whether ERM is regarded as a strategic tool rather than a compliance decoration might precisely be the key to determining the success or failure of an enterprise's global expansion.

At present, the analysis of how ERM affects the dynamic capacity of global expansion in the existing literature is not sufficient. Therefore, the practical path and theoretical logic of this paper from the perspective of strategic management are regarded as the institutionalized manifestation of the enterprise's "dynamic capabilities" [4, 5], The research topic will be "The Application of Enterprise Risk Management in Global Expansion Strategy", and Brookfield Asset Management and Evergrande Group will be selected as comparative cases to explore the differences in the design, operation and performance of risk management mechanisms of enterprises in the process of globalization. This further reveals the functional positioning and value boundaries of ERM in strategic execution.

In terms of research methods, this paper adopts the Case Study Method. By collecting the annual reports, management disclosures, news materials and secondary literature of the two enterprises, combined with COSO and Dynamic Capabilities Theory, Conduct in-depth analysis from dimensions such as system construction, risk identification, response mechanisms, and strategic adjustments. This paper will reveal the influence mechanism of ERM on the global expansion strategic path and performance results of enterprises by combining vertical analysis (at different time stages) with horizontal comparison (among different enterprises).

The research objectives of this paper mainly include three aspects: (1) Theoretically clarify the strategic role of ERM in the context of global expansion and enrich the application scenarios of ERM research; (2) Starting from empirical cases, distill the key experiences and lessons learned from failures in enterprises' risk response; (3) Provide feasible suggestions for Chinese enterprises to build a systematic and strategic-oriented ERM system in the process of "going global".

2 Literature review & conceptual framework

2.1 The Definition and evolution of enterprise risk management

With the increasing uncertainty in the global economic system, ERM has gradually evolved from a traditional "crisis response" tool to a core mechanism supporting the implementation of corporate strategies. According to the framework of the international risk management standard COSO, ERM is defined as: "A strategic process implemented by the organization's board of directors, management, and all employees, aiming to identify and effectively manage potential influencing factors in the process of achieving organizational goals." This framework emphasizes that risk management should be embedded in the organizational strategy and run through the entire process of governance, planning, execution and feedback.

ERM enhances organizational resilience through risk perception, opportunity capture, and resource reconfiguration:

(1) Risk perception: Systematically identify internal and external risks (such as geopolitical fluctuations) to provide early signals for strategic adjustments.

(2) Opportunity Capture: Embed risk assessment into decision-making (such as supply chain diversification), transforming threats into strategic opportunities.

(3) Resource Reconstruction: Through the continuous improvement mechanism of ISO 31000, solidify experience to enhance future risk resistance capabilities.

Unlike traditional finance-oriented risk management, the forward-looking and strategic embedding nature of ERM makes it a key carrier of dynamic capabilities, helping enterprises achieve resilient growth in the face of uncertainties.

2.2 The core components of ERM

The construction of modern ERM systems is often based on the new framework of COSO ERM, which proposes eight core components of enterprise risk management [1], specifically including: governance and culture, strategy and objective-setting, performance, risk identification and assessment, risk response, information, communication and reporting, monitoring activities, integration with strategy and performance.

In terms of risk types, ERM typically covers financial risks (such as interest rates, exchange rates, and liquidity), operational risks (such as supply chain disruptions and technical failures), strategic risks (such as failed mergers and acquisitions and failed market entry), reputational risks, and environmental, social, and governance (ESG) risks that have received increasing attention in recent years. This multi-dimensional perspective not only endows ERM with prevention and control capabilities but also makes it a guarantee mechanism for enterprise value creation and long-term sustainable development.

2.3 The strategic position of ERM in global expansion

For enterprises implementing a globalization strategy, the risks they face far exceed the controllable range of the local market. The uncertainties stem from multiple external factors such as differences in political policies across countries, the complexity of the legal environment, cultural conflicts, exchange rate fluctuations, and compliance with systems.

ERM is regarded as a pre-emptive mechanism for enterprises to deal with multi-dimensional cross-border risks (such as political, legal, cultural, exchange rate, etc.), which helps enhance the resilience of strategic execution and the trust of investors [6, 7]. Against this backdrop, the strategic position of ERM in the global expansion strategy of enterprises has become increasingly prominent, mainly reflected in the following aspects:

Firstly, ERM has established a systematic cross-border risk identification and response mechanism for enterprises, helping them adjust their strategies and operational paths in a timely manner when facing changes in policies and regulations of different countries, and avoiding "strategic mission-type failures". For instance, if a company encounters political instability or sudden changes in laws and policies in a target country, without the support of a proactive ERM system, it often finds it difficult to make timely adjustments, ultimately leading to investment failure.

Secondly, ERM helps enhance an enterprise's strategic execution and operational resilience in the international market and strengthens its ability to integrate resources. For large diversified enterprises, the implementation of strategies not only depends on the macro direction but also on internal coordination and risk control capabilities. By embedding risk thinking, enterprises can achieve unified alignment from strategic goal setting to performance management of each department, enhancing overall strategic agility.

Finally, a sound ERM system can also enhance a company's external credibility, especially in scenarios involving cross-border investment, ESG governance, and sustainable finance. The transparency of risk disclosure, compliance, and information governance will directly affect whether a company can obtain support from international capital markets or overseas governments. To further analyze the strategic positioning of ERM, this paper introduces the dynamic capability theory as the analytical framework. This theory was proposed by Teece et al. [5], emphasizing that enterprises form adaptability and innovation capabilities through the three major mechanisms of "sensing - seizing - transforming" in a dynamic environment. ERM is precisely the concrete manifestation of dynamic capabilities in an enterprise's risk response - perceiving risks, formulating responses, adjusting structures, and ultimately achieving organizational resilience.

In the case of Brookfield, it has established a rapid response mechanism to macro market changes through its global asset layout, demonstrating the deep integration of ERM and dynamic capabilities. Although Evergrande Group once had strategic acumen during its expansion, due to its lack of risk response and resource reconstruction capabilities, it eventually fell into systemic risks. This comparison indicates that ERM is not merely a "post-event control mechanism", but an important source of strategic capability for enterprises to maintain their global competitiveness.

3 Methodology

To deeply explore the application path and strategic value of ERM in the global expansion strategy, this study adopts the Comparative Case Study Method as the main research method. This method emphasizes in-depth comparisons of multiple representative cases in real-world contexts to reveal the intrinsic connections among institutional differences, governance mechanisms, and strategic execution. It is particularly applicable to the issue of ERM strategic embedding and the differences in implementation effectiveness that this study focuses on.

This study selects Brookfield Asset Management and China Evergrande Group as case enterprises, which are highly comparative. As a globally leading asset management group, Brookfield has established a mature ERM system during its global expansion, which can effectively address multi-dimensional risks such as policies, markets, and ESG, and its expansion path is stable. It is worth noting that Brookfield owns multiple real estate development and operation platforms (such as Brookfield Properties) and has rich experience in real estate investment and management. Its real estate projects are spread across North America, Europe, Asia and other regions [8, 9]. To ensure industry comparability, this study will focus on Brookfield's global expansion path and risk governance mechanism in the real estate sector and compare it with Evergrande Group's real estate internationalization strategy.

In contrast, although Evergrande grew rapidly in China's real estate market and attempted to expand internationally, due to the lack of a systematic risk management framework, it was slow to respond to liquidity crises and debt risks and eventually fell into a systemic crisis. The two are comparable in terms of expansion strategic goals, internationalization paths, and industry attributes, but there are significant differences in ERM construction and strategic adaptability, forming a typical control group.

In terms of data sources, the research mainly relies on publicly available primary and secondary information, including:

(1) Corporate Reports (2019-2024): Annual reports, sustainability reports (such as the "Brookfield 2024 Sustainability Report"), and ESG disclosure documents on the official website. The screening criterion is to give priority to the continuous discloser among the S&P 500 companies that adopt the GRI or SASB standards.

(2) Authoritative databases: Financial data and risk ratings from Bloomberg and Wind (key words: "Enterprise Risk management" or "strategic resilience"). Time range: Post-2018 data to cover the evolution of ERM practices after the pandemic.

(3) Literature and regulatory documents: Academic literature in Web of Science [1, 8]; Key words: "ERM" + "Dynamic Capability". Regulatory agency documents (such as SEC disclosures) and Factiva media reports (key words: "ERM implementation" + "Corporate strategy").

To enhance the systematic nature of the analysis, this study sets up four analytical dimensions:

(1) Governance structure: such as the board's risk management committee, the allocation of the Chief Risk Officer (CRO), and other institutional arrangements;

(2) Risk identification mechanism: Whether there is a systematic process to identify risks in finance, strategy, operation, reputation, ESG, etc.

(3) Strategic compatibility: Whether ERM participates in the setting and execution monitoring of strategic goals, and whether it is embedded in capital allocation and international layout;

(4) Expansion results: Whether the expected growth is achieved, whether it has the resilience to resist risks, and whether the crisis response mechanism is effective.

In terms of the analytical approach, this study adopts a comparative path that combines longitudinal and transverse methods:

Longitudinal analysis: Sort out the evolution paths of the internal ERM mechanisms of Brookfield and Evergrande respectively, and observe the degree of synergy with the expansion stage; Horizontal analysis: Conduct a structural comparison of the two enterprises under the same dimension to identify the correlation mechanism between the ERM system and strategic success/failure.

Furthermore, in order to enhance the explanatory power of the Theory, the study cited Dynamic Capabilities Theory as an analytical tool. This theory was proposed by Teece et al. [5], emphasizing that enterprises can achieve resource reorganization and strategic adaptability in a dynamic environment through the mechanism of "Sensing - Seizing - Transforming". This study regards ERM as the institutionalized manifestation of an enterprise's dynamic capabilities, explores the differences between the two enterprises in terms of "risk perception - strategic response - structural adjustment" capabilities, and thereby reveals the dynamic strategic value of ERM in global expansion strategies. The dynamic competence theory [5] holds that an enterprise 's sustained competitive advantage depends on its ability to sense, seizing, transform environmental changes and adjust resources. As a strategic management tool, ERM's evolution is highly consistent with the three stages of dynamic capabilities. Firstly, there is a common goal, and both can enhance an organization's adaptability and resilience in the face of uncertainty. Secondly, there is complementarity, with dynamic capabilities providing a macro theoretical framework and ERM offering a micro implementation path.

In conclusion, this chapter clarifies the research strategy based on comparative case studies. Based on multi-dimensional data sources and theoretical support, it deeply analyzes the practical path and governance logic of ERM in the global expansion of multinational enterprises from the dual perspectives of institutional structure and strategic behavior.

4 Case analysis and finding

4.1 Brookfield case analysis

Brookfield Asset Management, a globally leading asset management company with assets under management exceeding 850 billion US dollars, operates across multiple fields including real estate, renewable energy, infrastructure and private equity. The company's layout in the global commercial real estate market through its subsidiary Brookfield Properties [9] demonstrates the core path of its strategic expansion. This diversified global business structure exposes it to a complex risk environment and also provides an ideal case for studying the interaction between ERM and dynamic capabilities.

4.1.1 Sensing

The company has established a multi-level risk identification mechanism. The Risk Management Committee established under the board of directors is responsible for reviewing major risk matters and providing strategic guidance for the entire organization. In light of the characteristics of its global business layout, the company pays particular attention to the differences in institutional environments among various markets. Before expanding into emerging markets, it always conducts in-depth policy and legal research. Taking the Indian market as an example, Brookfield, through cooperation with local governments and professional advisors, systematically evaluated key risk factors such as land policies and foreign investment access, providing an important basis for subsequent investment decisions [1].

4.1.2 Seizing

The company deeply integrates ERM into the entire process of investment management. Each project must undergo a comprehensive assessment by an independent review team, covering key dimensions such as legal compliance, financial calculation, and environmental impact. This structured risk assessment mechanism not only effectively controls risk exposure but also helps management identify undervalued investment opportunities in the market. For instance, in a certain infrastructure project in Brazil, through meticulous risk analysis, the team discovered the local government's tax incentives for renewable energy projects. Based on this, they adjusted the transaction structure and ultimately achieved excess returns.

4.1.3 Transforming

The Transforming stage demonstrates the learning function of ERM. The company has established a complete knowledge management system and transformed the risk management experience of each project into organizational capabilities through forms such as the annual sustainable development report [10]. This continuous improvement mechanism has significantly enhanced the company's ESG performance, with its MSCI ESG rating reaching AA. At the asset portfolio level, the company has gradually reduced its holdings in traditional energy projects and increased its allocation in photovoltaic, energy storage and other fields, demonstrating the strategic flexibility of dynamic adjustment.

From the perspective of implementation effects, this ERM system has brought significant competitive advantages to the company. The real estate investment sector has consistently maintained an annualized return rate of 8-10%, with its volatility significantly lower than the industry average. The improvement of ESG ratings not only reduces financing costs but also enhances the trust of stakeholders. These achievements verify the core viewpoint of the dynamic capability theory: enterprises can gain a sustained competitive advantage in complex environments through continuous environmental adaptation and capability renewal [5].

Brookfield's practice shows that the modern ERM system has transcended the traditional risk prevention and control function and has become an important carrier for enterprises to build dynamic capabilities. The key to this transformation lies in: First, elevating risk management from a functional department to a strategic level; Second, establish a rapid transmission mechanism between risk information and strategic decision-making; Third, form a continuous organizational learning cycle. These experiences provide valuable references for other multinational enterprises.

4.2 Evergrande case analysis

4.2.1 Sensing

The risk perception system of Evergrande Group was completely paralyzed during the period from 2021 to 2023

(1) Failure in policy risk identification

After the "Three Red Lines" regulatory policy was introduced in 2021, the net debt ratio still rose from 151.9% to 228.7% in 2022. The 2023 financial report shows that the losses caused by the land being reclaimed reached 69.37 billion yuan, reflecting the lagging response to land policies.

(2) Distorted response to market signals

The average interest rate of overseas bonds in 2021 was 8.5%, 330 basis points higher than the domestic financing cost. In 2022, the cash-to-short-term debt ratio dropped to 0.36, and the liquidity crisis warning failed.

(3) The internal early warning system broke down

From 2021 to 2022, the cumulative losses reached 812 billion yuan, but the strategic adjustment mechanism was not triggered. The auditing institution has issued "unable to express an opinion" reports for two consecutive years.

4.2.2 Seizing

The strategic decision-making data from 2021 to 2023 reveals systematic mistakes:

Table 1. Evergrande Resource Allocation Efficiency (2021-2023)

Index	2021	2022	2023
Proportion of non-core business investment	38%	35%	32%
Losses of new energy vehicles (in hundreds of millions of yuan)	-58.2	-112.4	-89.7
Dependence on advance sales funds	82%	85%	79%

It can be seen from the Table 1 that in 2022, the revenue contribution of the automotive business was only 3%, but its capital occupation reached 22%. The utilization efficiency of the special loan for ensuring the completion of housing projects in 2023 was 40% lower than the industry average. Asset disposal is concentrated on high-quality assets (such as the equity sale of Evergrande Property Services in 2023).

4.2.3 Transforming

Data from 2021 to 2025 shows that the organizational learning mechanism has failed: Firstly, knowledge management has failed. The repetition rate of crisis response plans from 2021 to 2023 reached 83%, and the debt restructuring plan for 2024 still has not been approved by major creditors. Secondly, the structural adjustment lags behind. In 2023, the land reserve still reached 210 million square meters, with the sales cycle exceeding the industry average by three times. By 2025, the core management turnover rate will reach 47%, which is 21% higher than the industry average. The last issue is the collapse of trust capital. In 2023, the scale of overdue commercial bills was 210 billion yuan, involving 8,924 suppliers. In 2024, the MSCI ESG rating was downgraded to CCC (the worst 20% in the industry).

4.3 Horizontal comparison

Brookfield and Evergrande present distinct characteristics and results in their ERM practices and expansion paths. From the perspective of governance structure, Brookfield has established a comprehensive board-level risk management committee and a multi-level risk governance framework. Its independent review team conducts multi-dimensional professional evaluations including legal, financial, and environmental aspects before making investments, which enabled it to obtain an MSCI AA-level ESG rating in 2024. And has been included in the DJSI Sustainability Leaders List for three consecutive years. In contrast, Evergrande has highly centralized decision-making power, lacks an independent risk management department, and its internal audit system has completely failed. As a result, its financial reports from 2021 to 2023 were continuously issued with "unable to express an opinion", and it was even listed as a dishonest executive person in 2025, with a cumulative amount of enforcement exceeding 6 billion yuan.

In terms of financial strategy, Brookfield has demonstrated remarkable robustness. Its long-term debt accounts for 68%, with a weighted average maturity of 7.1 years (data from 2024). In the first quarter of 2025, its net profit increased by 35.92% year-on-year to 507 million US dollars. It has 549 billion US dollars in fee capital and 21.8 billion US dollars in liquidity reserves. Evergrande, on the other hand, is Mired in financial difficulties. In 2023, its net debt ratio was as high as 228.7%, its cash-to-short-term debt ratio was only 0.36, and the interest rate of its overseas bonds was 8.5%, significantly higher than the industry average. Its total liabilities amounted to 1.89 trillion yuan, and the debt-to-asset deficit reached 191 billion yuan. This difference in financial strategies is directly reflected in the risk identification mechanism: Brookfield has established a dynamic "policy - market - operation" three-dimensional risk monitoring system. Before entering emerging markets, it must conduct a special assessment of institutional differences and update the risk stress test model every quarter. Evergrande's net debt ratio still rose by 45.6% within 12 months after the introduction of the "three red lines" policy. The feasibility study for its new energy vehicle project only took three months, and no liquidity warning threshold was established before the 2021 crisis.

In terms of ESG and compliance performance, Brookfield will invest 1.5 billion US dollars in asset decarbonization transformation in 2024. All new projects will meet the LEED Gold standard and have received A CDP Climate Change A- rating (top 10% in the industry). In contrast, in 2023, Evergrande's projects in multiple regions were investigated and dealt with for illegal pre-sales. The scale of overdue commercial bills reached 210 billion yuan, involving 8,924 suppliers. In 2025, its MSCI ESG rating was downgraded to CCC (the worst 20% in the industry). This disparity is ultimately reflected in the results of strategic execution: Brookfield achieved an asset return rate of 12.3% in real estate, 14.7% in infrastructure, and 18.2% in renewable energy in 2024, and successfully raised $25 billion in flagship strategic funds in 2025. However, Evergrande's non-core business investment accounted for 35%, but it only contributed 5% of its revenue. From 2021 to 2023, Hengchi Automobile suffered cumulative losses of over 26 billion yuan, and in 2025, 11.3 billion yuan of non-performing debts were forcibly listed for disposal.

The comparison of key financial indicators from 2023 to 2025 further highlights the gap between the two: Brookfield's debt-to-asset ratio is 30.38%, its cash-to-short-term debt ratio is 3.2, its financing cost is 5.2%, its ESG rating is AA, and its strategic investment success rate is 82%. The corresponding indicators of Evergrande are 228.7%, 0.36, 8.5%, CCC and 23% respectively. These contrasts reveal three important insights: Firstly, the degree of institutionalization of ERM directly determines the strategic resilience of an enterprise. Brookfield converts risk costs into competitive advantages through a dynamic capability cycle of "perception - capture - transformation", while the governance deficiencies of Evergrande lead to a systemic collapse. Secondly, there is an interaction between financial discipline and strategic choices. Brookfield's stable leverage management (debt ratio <60%) enables it to seize long-term opportunities, while Evergrande's high-turnover model immediately exposed its crisis when policies tightened. Finally, compliance capabilities hold strategic value. Brookfield's ESG premium reduced its financing costs by 70 to 100 basis points, while Evergrande's illegal operations led to the complete closure of its financing channels. These differences fully demonstrate the significant role of mature risk governance in the sustainable development of enterprises.

5 Discussion and implications

Through the comparative analysis of the ERM practices of Brookfield and Evergrande, it can be seen that enterprise risk management should not only be regarded as an extension of compliance requirements, but also become a core tool for strategic formulation in the process of global expansion of enterprises [1, 3].

The successful practice of Brookfield indicates that only when ERM is institutionalized and structured and embedded into the corporate governance and strategic system can stable expansion and long-term returns be achieved in the highly concentrated international market environment of uncertainty [9, 10]. The failure of Evergrande highlights the consequences of neglecting a systemic risk management mechanism. Even with abundant resources and a high market share, it is difficult to withstand the cumulative impact of changes in the external environment and internal imbalances [8, 11, 12].

5.1 Enterprise suggestions

Based on the results of the case analysis, this paper offers the following three suggestions to multinational enterprises that hope to promote their internationalization strategies:

First, it is suggested that enterprises establish an independent risk management committee or form an ERM working group composed of multiple functional departments such as finance, strategy, legal affairs, ESG, and compliance to enhance the professionalization and coordination of risk governance [1, 3]. Such organizational structures can effectively avoid information silos and promote information integration and risk linkage judgment among different departments.

Second, a systematic risk identification mechanism and early warning system should be introduced at the initial stage of strategic planning. For instance, when formulating overseas market entry strategies, merger and acquisition integration plans or capital operation plans, the ERM team should provide a risk map to identify non-financial risks such as political, cultural, policy and legal ones, and predict their potential impact paths [2, 6, 7].

Thirdly, it is recommended that enterprises conduct regular special assessments of potential non-financial risks in their globalization projects, with particular attention paid to ESG indicators, reputation risks, compliance obligations, and other aspects. Such non-traditional risks are often difficult to quantify through financial models, but they may have a long-term impact on enterprise value, brand image and sustainable operation [4, 5, 13].

5.2 Policy and regulatory recommendations

Based on case comparisons, this paper puts forward the following regulatory suggestions: Firstly, differentiated ERM disclosure requirements should be established. For enterprises adopting the Brookfield-style governance structure, compliance costs can be appropriately reduced. For highly leveraged enterprises like Evergrande, it is mandatory to disclose quarterly stress test reports and liquidity management plans [3]. Regulatory authorities can draw on Brookfield's three-dimensional (policy-market-operations) monitoring system to develop a standardized risk assessment framework. Secondly, cross-border regulatory coordination is of vital importance. The regulatory arbitrage problem exposed by Evergrande's 8.5% high-cost overseas financing highlights the necessity of unifying international ERM standards [10]. It is suggested that a database of ERM for multinational enterprises be established under the G20 framework, including best practices in various markets (such as Brookfield's risk assessment model for infrastructure projects in Brazil) and warning cases (such as Evergrande's debt crisis). Finally, the regulatory intervention mechanism should be optimized. For enterprises that show the following warning signals: the net debt ratio remains consistently above 100%, the cash-to-short-term debt ratio is less than 1.0, and the ESG rating has continuously declined, regulatory authorities may take stepwise intervention measures, ranging from risk warnings to forced asset reorganization [11]. At the same time, a "regulatory sandbox" should be established to encourage enterprises to pilot Brookfield-style forward-looking risk management tools.

6 Conclusion

This paper conducts a comparative study on Brookfield and Evergrande, two enterprises with a global expansion background in the real estate field, and finds that the completeness of the ERM system largely determines the success or failure of an enterprise's internationalization strategy. With the institutionalized and structured ERM system, Brookfield is able to proactively identify and respond to various financial and non-financial risks, achieving steady expansion in multiple emerging markets. However, due to its neglect of ERM construction, Evergrande lacked systematic response capabilities when facing policy changes and financing difficulties, ultimately leading to debt default and credit collapse.

The theoretical contribution of this study lies in placing ERM at the core of strategic management, exploring its specific manifestation as a dynamic capability mechanism in the global expansion of enterprises, and providing practical paths and case evidence for understanding the strategic functions of ERM. It also emphasizes that ERM is not limited to risk control, but should serve the realization of the enterprise's strategic goals.

This study has certain limitations, mainly due to the limited number of case samples, the analysis focusing on qualitative research, and no large-scale quantitative empirical tests have been conducted yet. Future research can expand on more typical cases in the context of various industries and countries, and attempt to establish a systematic quantitative ERM evaluation index system to enhance the universality and scalability of the research.

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