

# The Uncertain Times

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Welcome to the second edition of **The Uncertain Times** – a regular newsletter bringing you snippets from the Business and Risk Management Industry, informative articles from our consultants and some lighter reading.

In this edition in we discuss Risk Management Software Implementation, Risk and Strategy versus Strategy and Risk and the considerations regarding the new POPI Act.



**Mondial**

Dynamic Pragmatic Innovative

## Implementing risk management software: What are the key considerations?

Written by Ricardo Fontes

In the last few years the push to “automate” risk management has seen an increase in the use of terms like “slice-and-dice information”, “agile systems that will suit your organisation’s needs” being used by software providers and consultants. But what do they really mean, and how do we determine which risk management software solution is right for us?

We need to ask ourselves the following questions:

What are my expectations of the system and its requirements and do these talk to each other and to my organisation?

- What level of automation and increases in productivity will the system provide over a conventional spreadsheet system for data capture, analysis and reporting?
- Is the system able to accommodate the standards and methodologies currently used by my organisation?
- How rigid or how flexible is the system and how does this fit with my needs? Will my company need to change and conform, or will it allow many different uses and changes, but might lack in consistency and refinement?
- What user interface is available and which will suit my needs best? “Fat Client” (installed on particular computers) vs “Thin Client” (web based and accessible from any location)?
- Are all the “fancy features” a core requirement, or an unnecessary cost?
- Will the software bring a measurable return on invested capital?
- What are the software provider’s development roots and its future development plans?

Management tend to forget that IT systems and software, in general, are tools, which should assist in improving productivity, management and performance of an organisation and not require a change in the way the organisation operates.

RM software needs to be carefully considered in light of the complexity and structure of the organisation, its strategy and risk management framework, its risk management maturity and the needs and requirements for risk information storage, analysis and reporting.

To read the full article, click [HERE](#).

### **Ricardo Fontes**

*Ricardo has 15 years’ experience in information technology, previously working as IT Manager. As an ERM consultant, Ricardo has been involved in various risk workshops, development, customisation and training of GRC software systems including IsoMetrix and CURA. Clients Include Impala Platinum, Saudi Aramco, Umgeni Water, Barloworld and Pikitup.*

Contact us for any advice or assistance in the following areas:

- Enterprise Risk Management
- Emergency and Business Continuity Management
- Governance and Compliance
- Risk Management Software Solutions
- Internal Audit
- Corporate Secretarial
- Environmental Risk Management
- Sustainability Risk Management
- Human Failure Analysis

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## Risk and Strategy or Strategy and Risk - Can they co-exist?

Written by:  
Oliver Laloux



Many argue that strategy and risk are polar opposites as the former aims to achieve a future desired, improved and better, state whilst the latter aims to identify uncertainties, concerns and problems associated with this future desired state.

Strategy builds up, risk breaks down.

However, those companies with a more mature risk management process regularly and explicitly link their risk management processes to their strategic planning process. Less mature approaches will define strategy in response to a number of business and strategic drivers, a vision and some goals, with focus on internal contexts and information. More risk mature organisations accept that the process needs to be balanced between internal and external forces. They also accept that risk management adds value before, during and after the strategy process. They achieve some balance in assimilating internal and external factors in determining the strategy and letting risk inform, shape and react to the strategy.

We have recently been involved in a number of strategy/ risk assignments, before, during and after the strategic planning process and these are some learnings:

- Risk should be looked at before, during and after strategy setting.
- Internal scans need to look beyond the next 12 month financial cycle and be focussed on what the organisation may look like in the next 3-5 years.
- A scan of the external environment should receive equal and balanced focus and effort to the internal scan and involve experts and knowledge external to the organisation
- Explore alternatives or a range of scenarios to inform the strategy process. Develop scenarios or alternatives that look at different futures as well as different time frames.
- A consistent and formal approach is necessary. Many tools or models are available to conduct the original, during and after scans. These include SWOT, PESTEL, Porter's 5x forces, Mintzberg's 5 P's and many others and can be used in conjunction with each other.
- Once an approach has been selected, apply it before the strategy setting to understand the internal and external uncertainties that may affect the organisation.
- Apply risk management again, during the process, for example against a predetermined future state that defines what success would look like.
- Risk management adds value again after strategy setting to stress test the future desired situation as well as the means proposed to get there; the strategy.

Many argue that risk and strategy are polar opposites as one aims to achieve a desired state whilst the other aims to identify uncertainties and problems associated with the desired state. Applying both consistently and repeatedly provides a more robust, achievable and relevant strategy. The two must co-exist and collaborate to achieve success.

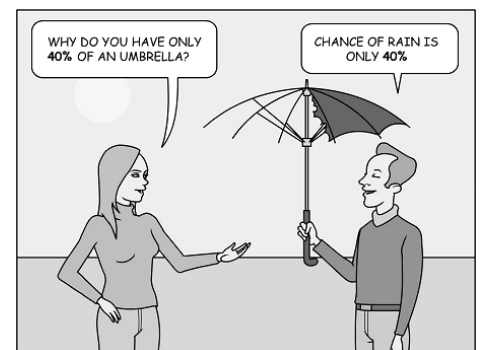
To read the full article, click [HERE](#).

**Oliver Laloux** has a BSc TRP-Honours and MSc. He is the CEO of Mondial Consultants and a prior director of a large risk consultancy. Oliver has over 18 years' experience in enterprise risk management and project risk management as well as various elements of health, safety, environmental and quality (HSEQ) management. He has been the lead for numerous similar consulting projects, specialist Enterprise Risk Management (ERM) projects, project governance assignments and due diligence surveys in both South Africa and abroad, including clients in various sectors of industry.

## On a lighter note...



"We've considered every potential risk except the risks of avoiding all risks."



## Mondial's Enterprise Risk Management E Learning

Benefits:

- Avoid classroom style learning
- Train large groups of employees
- Less time away from the workplace
- Save costs and time

Scope:

- Key concepts of risk management covered
- Use for inductions, once-off training, or as part of training strategy.
- Three hours to complete
- Blend of theory, practical examples and test questions

Contact us for more information

## POPI – WHAT Do Employers need to consider with Employee Information?



The Protection of Personal Information Act (POPI), Act 4 of 2013, was signed into law by the President on 19 November 2013.

The purpose of this Act is to give effect to the constitutional right to privacy while protecting the free-flow of information and advancing the right of access to information;

### **What needs to be done to comply?**

- An employer remains responsible for compliance the Act as far as processing of an individual's personal information
- Personal information may only be processed if consent is given and does not infringe the rights of the employee
- Collection of information must be for a specific purpose which relates to an activity of the responsible party
- Information may not be kept longer or processed further in a way that is not aligned with the purpose for which it was collected
- The employer must ensure that the information is complete, accurate, not misleading and up to date.
- The employer should take the necessary security measures to ensure that integrity of information is maintained and that access to the information is restricted and that personal information is safeguarded against loss, destruction or unlawful access
- The employee must be made aware that the personal information is being collected and the purpose for which it is being collected.

### **Rights of the employee**

- The employee can request confirmation as to whether the employer holds information about him/her and a description of the personal information held.
- The employer should provide each employee with a copy of the information held relating to them, and afford the employee the opportunity to submit requests for correction.

#### **What is 'personal information'?**

- Name, ID number, Age
- Race, Gender,
- Biometric information (blood type and fingerprints),
- Contact details,
- Personal history (including medical history),
- Religion
- Private correspondence

### **What steps should employers take to address these potential risks?**

- Conduct exit interviews and obtain consent from employees as far as providing references;
- Review application forms, adverts, interview process and amend where necessary in order to comply with the Act;
- Train employees on how to comply with the provisions of the Act. Training for relevant employees should address record keeping, collecting information, dissemination of information for example providing references to third parties;
- Conduct audits of records and retention periods in order to determine for example safeguards, access and destruction of personal information;
- Secure consent of applicants and new and existing employees to processing in terms of advertisements, application forms and contracts of employment.

*With acknowledgement to Mr Faan Coetzee, DLA Cliffe Dekker Hofmeyr*

To read the full article, click [HERE](#)

**Johan van der Walt**, a director of Mondial Consultants, is an admitted attorney with over 35 years' experience in law, corporate governance and risk management, corporate communications and project management. Before the formation of Mondial Consultants in 2008, he was employed by BHP Billiton for a period of 20 years as Risk Champion and Company Secretary in one of the company's divisions. Johan was jointly responsible for the formation of Mondial in 2008 and is a member of the company's management team responsible for the strategic direction and day to day management of the business. Apart from being responsible for a number of current Mondial clients in the risk management space he also represents Mondial as the Company Secretary for a listed JSE entity.