



Risk Management

Integrated risk management supports the achievement of company objectives

Risk management aims to achieve or exceed the company's objectives via conscious handling of opportunities and risk. Events, actions and developments which may hinder the company in achieving its objectives and successfully implementing its strategy are evaluated.

The interplay of strategy and risk management

The strategy gives a company clear objectives, where as ongoing monitoring is now seen as self-evident. Risk management does not monitor the strategy, but rather the company as an entire unit, with regard to the relevant risks. The result ensures activities that are not only strategically meaningful but also adapted to risk. A direction and speed of development which may have positive effects on the company's long-term added value. Therefore, risk management does not compete with the strategy, but supports its achievement. Calculated risk-taking is part of the entrepreneurial activity. By risk management, MAK understands risk optimisation via conscious handling of uncertainty.

The goal-oriented company model according to MAK

A long-term vision and strategy ensures that all activities coordinated in your company are oriented towards the same objectives.

A clearly-defined attitude to management, risk and value will systematically and lastingly guarantee the operational control of your company – while maintaining high standards.

The project level sees to it that you implement change and innovation guidelines to continuously develop your company. The foundation of your enterprise is represented by its process level because your net value added is guaranteed by the performance process.



Image: goal-oriented company model according to MAK[®]

The aim is a clearly defined attitude towards risk via integrated risk management across the entire company, taking into account the defined strategy. The attitude towards risk determines how a company responds to possible opportunities and risk and influences the internal decision-making processes. Risk management defines the measures for controlling risk or using opportunities, which have an effect on projects and processes. The conscious handling of opportunities and risks therefore contributes fundamentally to the long-term strategic achievement of objectives.

Building integrated risk management

A large proportion of the risks, namely operational risks, arise principally in the company's business processes. Through the integration of risk management with business process management, significant added value can be generated for the company. Building up integrated risk management largely incorporates the following stages:

- Definition of risk policy, risk objectives and strategy
- Design of the risk management process
- Building up risk management organisation within the company
- Arrangement of methods and systems
- Integration with business process management

Risk management as a critical success factor in company management

Functioning and efficient risk management as well as the risk and checking culture, can no longer be ignored as company success factors. Companies which effectively control and check their risks as well as recognising and benefitting from their

opportunities, become successful in the long-term and increase the company value. The value of a company can be traced back to "hard" value drivers, such as higher turnover, profitability and risk. "Soft" value driver (customer satisfaction, company culture, etc.) also have an indirect effect on the success of the company.

Integrated risk management brings you the following benefits:

- **Increases the confidence of investors** and has a positive effect on the company's cost of raising capital
- **Lowers risk-related costs**, in that risks are recognised earlier and measures to overcome risks can be introduced on time
- **Achieves the reduction of willful wrongdoing** through organisational security measures and additional monitoring operations from auditing
- **Increases the company value** because scope for risk that is not taken up and opportunities associated with entrepreneurial measures are covered



Image: Model of integrated risk management

Integrated risk management helps you to achieve your company objectives by

- **Creating transparency about the risk situation** as a basis for risk-conscious and opportunity-oriented decisions in strategy evaluation as well as in the operational business
- **Recognising possible risks** for the asset, yield and financial situation
- **Prioritising risks** and the need for action
- **Targeted control of risks** through corresponding measures and their monitoring
- **Limiting risks** to an acceptable level

Corporate Governance and legal guidelines

Risk management has gained attention in the last few years. Discussion of the "Swiss Code of Best Practice for Corporate Governance" created by *economiesuisse* has put the topic of "risk management", among other things, in the news. In a business environment that is changing ever more quickly, a company is subject to greater opportunities as well as greater risks. Pressure is therefore increasing for companies, due either to the guidelines from Basel II or the applicable Audit and Audit Supervision Act and the Swiss Law of Obligations. Risk management is therefore obligatory for all companies that are subject either to regular or limited auditing. Since 1st January 2008, companies that are subject to regular auditing must also make available details about the execution of a risk assessment (Art. 663b, fig. 12 Swiss Law of Obligations) in conjunction with the annual financial statement. Furthermore, they must prove that an internal checking system exists (Art. 728a Swiss Law of Obligations).

How can MAK support you?

MAK supports you in all phases - from analysis and design, execution and implementation, to continuous improvement of your integrated risk management.

To be specific, MAK offers the following services in these areas, which may be tailored to your requirements in a modular format:

- Conducting introductory workshops on the theme of "risk management", according to your requirements, and practice workshops for the sustainable handling of risks
- Review (second opinion) of your existing risk management with well-founded recommendations and possible measures
- Design and execution of integrated risk management according to your requirements (including preparation and moderation of workshops)
- Definition of early warning indicators and reporting on regular risk monitoring
- Support in the evaluation and procurement of an IT-assisted solution according to your requirements
- Support in the sustainable implementation of integrated risk management, to include employees involved (incorporating preparation and conducting training)
- Analysis of the company status and support in change management (removing resistance)
- Periodic risk monitoring (risk assessments) to evaluate the current risk situation and the effectiveness of measures by way of critical incidents which have arisen (ref. "periodic risk monitoring" service)

Possible support by MAK:

- Project management
- Support / coaching of your internal project team
- Cooperation / support in your internal project team
- Support by our specialists to complement your internal project team

We offer these types of cooperation in conjunction with the complete execution of a project as well as supporting individual project phases.

Portrait of MAK

MAK Consulting AG is an independent consulting company in the fields of consulting, project management and implementation, as well as operational business support. In its activities and processes, MAK always complies with Business Excellence (EFQM). Thanks to its track record of practical experience and tried-and-tested methodological instruments, MAK makes substantial contributions to the targeted and sustainable further development of companies.

Cooperation with MAK brings tangible results such as

- Improving competitiveness
- Optimising value creation
- Promoting growth
- Effective instruments
- Efficient execution of planning

Are you interested in receiving further information? We will be pleased to answer your questions in an in-person meeting.

Your partner beyond the conception phase



MAK CONSULTING AG
MANAGEMENT • ASSESSMENTS • KNOW-HOW

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