

# Development and introduction of integrated risk management

**Historically, the processes of SWISSGAS AG have grown and have tended to be functionally orientated. MAK Consulting AG worked with SWISSGAS to support them in setting up structured business process documentation and systematic maintenance.**

**On this basis, sustainable, integrated risk management was introduced a year later. The objectives were: achieving appropriate risk management to fulfil the new legal requirements (accounting standards and audit law), as well as increasing risk consciousness in the business processes.**

## **Background and objectives**

SWISSGAS, the Swiss public limited natural gas company, ensures the procurement and supply of natural gas in Switzerland, in cooperation with the regional companies. Since 2008, SWISSGAS has also had to disclose details of the execution of a risk assessment as an appendix to the annual financial statements (Art. 663b, no. 12 Swiss Law of Obligations). The law also prescribes that the auditor check every year whether or not an effective internal control system (ICS) is in place (Art. 728a Swiss Law of Obligations).

Management has to produce a practical risk report to the board of directors with regard to the execution of a risk assessment. In particular the risks, must be identified, assessed, evaluated, documented and communicated.

SWISSGAS decided not only to fulfil the legal minimum requirements, but also to set up sustainable, integrated risk management.

They commissioned MAK to develop a risk management that is customised to the requirements of SWISSGAS. The following risk management elements, in particular, were to be incorporated:

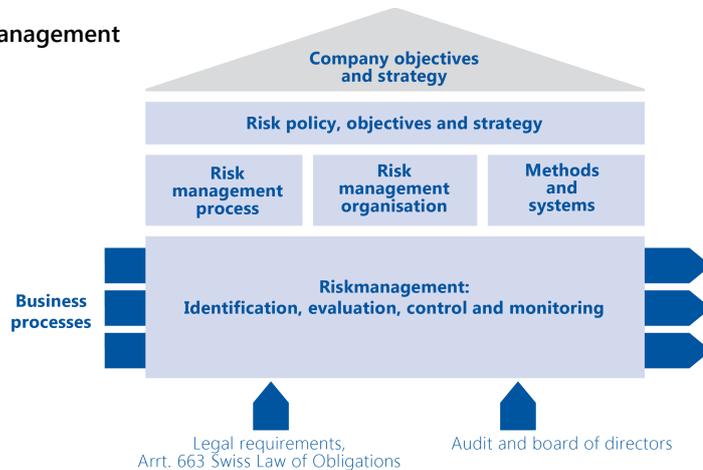
- The fundamentals of risk policy, including objectives and strategy
- Effective measures for controlling risk
- Checking measures to guarantee implementation
- Regular monitoring of risk management

With the desired systematic risk management approach, the service, financial and socio-economic company objectives of SWISSGAS were to be ensured and long-term company success influenced positively. The new integrated risk management should further support the strategic and operational processes, and ensure that the relevant risks are systematically monitored.

# Success Story

## SWISSGAS

### Integrated risk management SWISSGAS



#### Task

In cooperation with SWISSGAS, MAK led the procedure for sustainable definition and application of integrated risk management. In coordination with the client, MAK proceeded in such a way that the burden on resources for SWISSGAS could be kept as small as possible, without compromising objectives and quality.

The project essentially incorporated four phases, orientated towards the regulating cycle of risk management, which includes strategic risk management, identifying risk, risk assessment as well as controlling and monitoring risk. Within the context of a workshop series under the leadership and moderation of MAK it was ensured that the regulating cycle ran methodically and systematically with the SWISSGAS business process managers and all other managers. In the case of SWISSGAS, it could be assumed that the greater part of risk originates primarily from the business processes. MAK therefore firstly produced the instrumental association between risk management and business processes. As preparation, MAK defined and documented a transparent, company-wide business process landscape in the context of the "management support" project. With the introduction of this landscape, SWISSGAS took an important step in the direction of structured processes. Risk management could thus be built on this solid basis.

#### Which specific services did MAK carry out for SWISSGAS?

The MAK consulting team

- developed and documented the risk management processes embedded in the business process landscape
- drafted customised methods and systems for risk analysis (identifying and evaluating risk) tailored to the requirements of SWISSGAS
- developed the customised and user-friendly risk management tool
- set up and moderated a series of workshops with participation by the extended management
- supported the extended management in the process development and introduction (transfer method competence)
- ensured the timely reworking of the relevant information for risk reporting to the board of directors
- described and documented the set-up and systematic application of risk management in a user document (manual)

# Success Story

## SWISSGAS

The following important products, among others, arose from these varied services:

- A complete catalogue of risks with identified and evaluated risks, which could have a significant effect on achieving the SWISSGAS company objectives
- A clear risk cockpit, consisting of a practical risk portfolio for depicting each of the most significant risks
- A complete catalogue of measures for effective risk control, orientated to the specific current risk situation
- Important early warning indicators and meaningful risk reporting for proactive risk monitoring

### The result

Risk management is an important component of the decision-making and management control at SWISSGAS today. It therefore ultimately improves the quality of services delivered. The order was executed by MAK efficiently and with the least possible impact on the resources of SWISSGAS employees. Despite ambitious objectives and the considerable complexity of the subject, the planning was implemented simply and within the time frame set. With integrated risk management, SWISSGAS management is now in a position to fulfil the new legal requirements and present the risk report to the board of directors in a structured format. The new system has also improved risk awareness at SWISSGAS. Management now knows the identified risks, can evaluate them and therefore deal with current risk situations more professionally.

The board of directors at SWISSGAS is very satisfied with the sustainable risk management and corresponding reporting. It is also convinced that the results produced bring clear added value to the company management.

The managing director of SWISSGAS, Ruedi Rohrbach says:

« The targeted development and introduction of integrated risk management was very important to us. MAK supported us with its exceptional specialist and methodological expertise. The project required great commitment from all people involved, during which we were supported considerably by MAK in terms of resources. The implementation of this project was worthwhile, in any case, as structured thinking and action in our business processes and in dealing with risk was very much encouraged. We are now in a position to deal with risks more consciously and to control them systematically »

Ruedi Rohrbach,  
Managing Director, SWISSGAS



# Success Story SWISSGAS

SCHWEIZERISCHE AKTIENGESELLSCHAFT FÜR ERDGAS  
SOCIÉTÉ ANONYME SUISSE POUR LE GAZ NATUREL  
SWISS COMPANY FOR NATURAL GAS LIMITED



SWISSGAS, the Swiss public limited company for natural gas, was founded in 1971. The core business of SWISSGAS is the procurement and supply of natural gas in any form in Switzerland, as well as maintaining interests in this regard on the domestic market and abroad. In 2008 SWISSGAS achieved a turnover of more than CHF 1'400 million.



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## Portrait MAK

MAK Consulting AG is an independent consultancy company in the fields of consulting, project management and implementation as well as operational business support. MAK always strives for business excellence in its actions and processes (certificated as EFQM-recognised for excellence). Thanks to its proven practical experience and tried-and-tested methodology instruments, MAK makes substantial contributions to the goal-orientated and lasting further development of companies

Cooperation with MAK brings tangible results, such as:

- Improvement of competitiveness
- Optimisation of added value
- Promotion of growth
- Effective impact of instruments
- Efficient execution of projects

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