

Entrepreneurial Management of Risks and Business Opportunities

Enterprise Risk Management, Risk Governance
and Internal Control System



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Our Partner Companies



Enterprise Risk Management (RM), Risk Governance and Internal Control (ICS)

Experience from recent global financial crises has shown: deficient risk management policies and systems, poorly designed incentive structures and inappropriate risk strategies may have dire consequences for all stakeholders of a company. Only a true integration of RM and ICS as part of an entrepreneurial management and control system will contribute to the survival and long-term success of an enterprise. RFM Dr. Imfeld helps clients designing, implementing and running efficient enterprise wide risk management and control systems.

We support our customers implementing an [entrepreneurial approach to managing risks, uncertainties and business opportunities](#). Typical services we offer are:

- review and optimise existing risk management and control systems
- develop and implement new risk management and control systems
- improve alignment of core business strategies with the risk and finance strategy
- support continuous operations of daily risk and control processes
- evaluate and implement IT-Solutions for ERM and Internal Control
- assess candidates for management positions in RM
- take over responsibility as board member with focus on risk and finance strategy

From concepts phase to daily operations

We are independent, specialised, pragmatic and used to working in interdisciplinary teams. Since 2002, we support clients as consultant, coach, project or interim manager. In collaboration with our partner companies we deliver services and manage projects for large international firms as well as for SME companies. For several clients we are mandated as coach and manager of the risk management and control processes.

Our extensive experience from consulting and line management positions allow us to support our clients in risk policy and strategy development, solution implementation and actual maintenance of daily risk management operations. Accordingly we structure our services into [three areas](#):



Clients and Industries

Our customers and sponsors are board or executive team members, line and risk managers, treasurers, auditors, government or administrative bodies. Since 2002 we provided services to clients from many industries such as: [telecom](#), [energy](#), [transportation](#), [pharmaceuticals](#), [health-care](#), [insurance](#), [reinsurance](#), [insurance broking](#), [banking](#), [asset management](#), [trade associations](#) or [public administrations](#).

Our approach

We support clients in the development of **effective risk policies and strategies** for all kinds of risks managed in an ERM framework. The risk landscape we cover ranges from well quantifiable risks (e.g. currency) to risks more difficult to assess, such as operational or strategic risks. Depending on the project scope we may cover all or only a selection of the following **risk categories**:

- Core business, market and strategic risks / opportunities
- Financial market risks (FX, Interest rate, Commodities)
- Counterparty and credit risks
- Operational risks (processes, systems, organisational, fraud)
- Insurance and reserving risks (for insurers and captives)
- Regulatory, legal and compliance risks
- Political, socio-economic risks

Based on stress tests and scenario analysis (from basic what-if scenarios to complex stochastic or dynamic simulation models) we analyse and quantify the range of possible effects of individual risks, critical risk combinations and opportunities on the:

- daily operations and people affected
- liquidity and the cash flow of the organisation
- target investment budget and the financing strategy
- future financial statements (P&L, Cash Flow and Balance Sheet)
- reputation of the company

We identify gaps in the Internal Control System based on process and risk analysis. Risk assessments and gap analysis in the existing ICS allows to set clear **priorities for risk mitigating measures and control improvements**. Our systematic risk controlling finally supports the responsible line managers in implementing approved risk mitigation measures.

Modern technology from the „Enterprise Risk Governance“ Solution of Avanon/Thomson Reuters or software solutions for quantitative risk and treasury management provide the necessary tools for the daily processes of ERM and ICS. We manage tool evaluations and implementations for large clients and we provide efficient services on an outsourcing basis taking advantage of our web-based ERM solutions for SME.

Your Benefit

- Capture business opportunities based on an entrepreneurial approach to RM
- Protect your ability to realise set targets
- Save costs and increase efficiency by implementing systematic ERM and ICS
- Be prepared for unforeseen business interruption and crisis events
- Ensure compliance with minimum regulatory standards
- Retain control and independence from banks, brokers, insurers and auditors
- Profit from pragmatic and international experience in SME and large organisations
- Benefit from exclusively senior consultants and project managers at a fair price

Risk Management (RM) and Internal Controls System (ICS)

– from conceptual expertise to daily operations –

Overview of Services

1

Conceptual Expertise and Risk Strategy

RM Concept and System

- Develop a risk policy
- Introduce new RM-System
- Review existing RM-System
- Check compliance with regulatory requirements (OR, VAG, Solvency II, MaRisk, Basel II)
- Develop and review risk strategies
- Develop and review insurance and hedging strategies

RM Organisation und Processes

Review and improve organisation and processes for the management of:

- Strategic risks and opportunities
- Core business and market risks
- Operational risks
- Insurance and reserving risks
- Liquidity- and financial market risks
- Counterparty and credit risk
- External, legal and other risks

Design and Implement Methods and Tools

- Risk assessment, risk identification
- Risk measurement, risk quantification
- Risk aggregation and risk consolidation
- Scenario analysis, stress-testing, stochastic simulation
- Loss data collection and incident reporting
- Action plan and control tracking
- Integrated risk reporting

Early Warning System and Economic Analyses

- Industry, market and company analysis
- Evaluation of relevant early warning risk indicators
- Development of early risk warning system
- Definition of critical risk levels

Internal Control System

- Develop a risk based ICS
- Review existing ICS, gap-analysis
- Design key controls
- Internal Audit services on outsourcing basis
- Integrated reporting

Integrating ERM and ICS with:

- Business planning and strategy
- Financial management
- Security, crisis management, business continuity
- Information security
- Process- und quality management
- Compliance

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Implementation

Implementing RM and ICS Concepts

- Project management for implementation projects
- Education and training in RM concepts
- Change management related to new RM and ICS organisation

IT-Solutions: Development and Evaluation

- Developing basic solutions on Excel, Word, Access
- Specification of business needs in internal software development
- Evaluation of standard software solutions for: ERM, OpRisk, ICS, Financial RM

Implementation: Standard Solutions for Large Companies

Project management for the implementation of standard solutions in large companies for:

- OpRisk, IKS, ERM, DFA-Solutions, treasury software, early warning systems
- Risk Reporting, RM-Cockpit (e.g. BIRT Reporting)

Implementation: Standard Solution for SME

Industry specific standard solution for SME: Manufacturing, Energy, Telecom, Health-Care, Insurance, Banking

Standard package with:

- Risk assessment module
- Action tracking and control module

Optional Extension with:

- Loss tracking module or incident reporting
- Early warning system and risk quantification modules

Data Analysis and Interfaces

Evaluation of data quality in RM systems for: availability, consistency, integrity, confidentiality and completeness.

- Data evaluation for risk aggregation and risk consolidation
- Data evaluation for integrated risk reporting and regulatory reporting
- Data Interfaces

3

Daily Operations

Outsourcing RM und ICS responsibilities

- Manage internal risk reviews and action tracking
- Review and update control documentation
- Run and update early warning systems
- Manage loss database or incident reporting
- Annual risk workshop with board and executive team
- Run regular risk reporting

Outsourcing (with Avanon/Thomson Reuters)

- Web-based ERM/ICS solution on external server
- Maintenance and technical support