THE FIRST WORD

It is our pleasure to welcome you to the first edition of our newsletter – yankahLINK. Our primary objective is to provide a public-interest platform to share knowledge with our clients and all believers of good corporate governance. Each edition would focus on a topical business issue and other matters of contemporary relevance to the business leader.

We want to be part of the community of champions committed to making a difference in the lives of Ghanaians and all peoples impacted by our businesses and actions. How? If you get connected to your strengths and you get closer to your dreams of success with the help of yankahLINK, we will consider it as fulfilling our mission. After all, our core value is to provide solutions that you will be proud to recommend to others.

In similar vein, with the yankahLINK newsletter also serving as a Continuing Professional Development platform where special attention will be spent focusing on how to improve the effectiveness and performance efficiency, we can mould business leaders out of the older hands in our offices, who must of necessity also taste of the fruits (and responsibility) of higher office at some stage in their careers.

yankahLINK will be of varying lengths (pages) depending on the issues under discussion at any time. We shall come out at least once every two months and copies will be available for download (from our website at www.yankahlink.net or in print (by special request).

One other thing! Today, many young persons desirous of joining the workforce or even starting their careers hardly find any lessons of Ghanaian vintage to study. It is our express hope that yankahLINK will serve as a dependable plank across the gutters that separates people from the great opportunities that lie out there!! You can get there!!

That is one more reason why we also invite you to be an article contributor to this newsletter because it is only if we relate our experiences in a practical, poignant manner that we can help others and ourselves build upon the foundation of knowledge that is so critical to our individual and institutional growth.

We trust that you will enjoy yankahLINK. Remember “we connect you to your strengths” to enable you push away your weaknesses.

Enjoy this maiden edition. Akwaaba & Happy Reading!

MANAGING RISK IN THE ORGANISATION

by Eric N. Yankah

Suppose you are the Owner of your company or Chief Executive of a Public Institution and you provide a service to clients who in turn rely on your services in order to deliver on their own services. When you wake up each morning, what are the first things that come to your mind before you dress up for work?

Don’t tell me it’s about how to find money to pay your bills or how to be able to win that big contract so that you fulfill your dreams of a successful business. Oh sure, it’s always about money, is it not?

Are you such a person? Maybe! maybe not!! Okay, let’s suppose you are not even a shareholder, but rather the General Manager of the company but so trusted that the owners of the company have left you to do your own thing running the company. Do you think about the same questions? What are your first thoughts in the morning?

Do you think you and your board or you and your owners share the same concerns?

Okay, maybe you are not such a person. So let’s even suppose you are

<table>
<thead>
<tr>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>The First Word</td>
</tr>
<tr>
<td>Managing Risk in the Organisation</td>
</tr>
<tr>
<td>The Part We Play ... ...</td>
</tr>
</tbody>
</table>
not even a supervisor in the company but rather just a simple salaried worker in the organisation.

What do you think about when you wake up in the morning? Maybe you think about how you can put food on the table at home and how you will struggle to get to work and how eagerly you await the end of the month for that pay-cheque with that take-home that is just a take-away. Maybe, Maybe not!! Do you think you share the same thought as any of the persons categorised above? So what kind of person are you?

Whatever your answer, it is fair to stress that (you see) all these persons have differing needs, objectives and priorities even though they may be a part of the same organization. They are not the same. Their perspectives are not the same.

Indeed even though their long-term aspirations may not be the same, all of them also have something in common. They expect the company to succeed. Why? Because they will be on the street looking for jobs if that doesn’t happen. Unless of course they are crooks or less than transparent and would wish the company ill at any time to provide them with the motivation to skim it of resources with fraudulent or improper motives.

What makes a company succeed is thus the focus of this discussion.

A company succeeds not only when it makes a profit for its shareholders, or only if it is capable of paying its workers well above the competition or it is able to retain the “sharp-brains” of the industry on its payroll or if it is able to survive the myriad challenges of either the marketplace or the wrath of the industry regulators. In fact sometimes, otherwise known as very successful companies suddenly collapse or go bankrupt or come face to face with a scandal.

The reason for such corporate tragedies is very simple – many of such companies play around with their risks and risk management policy and strategy. It may not even have anything to do with the quality of the people they have working for the company. Indeed, as we will find out, some of these companies actually fall on their swords because of the sharp brains they have. But hold on, let’s look at some examples.

- A company may collapse because its star marketing officer/strategist resigns.
- A company collapses because the owner and CEO suddenly dies, or is thrown into jail, or fall out of favour in the market place.
- A company falters because it loses its operating franchise because someone did not fill some forms in time or took a dangerously faltered step with a bad decision.
- A company is faced with a financial scandal because auditors suddenly discover a huge dent on the books.
- A company has to practically start all over because their current or star product(s) of several years suddenly goes out of fashion.
- A company treads the downward slope simply because the rules change and the company is not ready to adapt or has not got the qualifications to undertake the business under the new rules.
- A company is left in a lurch because their tenancy has been terminated because the landlord sold the property, and cannot re-locate quickly to meet the market needs.

The examples abound but the common thread might be that none of the companies listed above factored the real underlying cause(s) into their strategic planning.

Question: Do/Did they even have strategic plans? Even if they are secret documents held by the shareholders, are these plans known even to the managers of the company? What about the employees? Is/Was there a mechanism for collecting feedback and improvement tips? Is/Was there a sense of ownership among the employees? Hmmm!
But let’s go on. When employees and managers alike do not have a clue as to what they are working against. If they are just regarded as “ordinary” or “mere” employees and given their tasks to do and they implement them even perfectly, the company would still be exposed in its under-belly. Why? The company could be having lurking risks that no one has assessed, that no one has planned any mitigation strategies, that no one even manages as a schedule. Many owners and managers of companies relate to problems by keeping certain types of information away from their employees on the guise that it could threaten their business existence strategy. What they also forget is that by their actions or inaction, they throw away all opportunity to create a growth team that would, in turn, help turn their companies into effective organizations.

Do you know that what you think you know to be a new phenomenon might be an old idea that is perched in the brain-bank of a colleague but simply because you haven’t asked or created the platform for contributions, you might never hear about it? Are you therefore a risk to your company? Think about it carefully, take a deep breath and reflect on your own answer!

Risk management is the process by which the organisation assesses all potential threats to the success of the business and also by which all opportunities are also assessed to ensure that they do not slip or bypass the company. Simply put, isn’t it? You see if you think through and identify the risks (threats) and also the risks (opportunities) you could use simple logic and arithmetic to determine how serious the net risk effect is or could be, how likely it is to occur and how much damage it could cause the company if it actually occurs. The process is completed when you are able to assess both the likelihood and severity of impact of each threat factor actually occurring.

This process of identification is typically referred to as determining the risk appetite of the company and the product of your assessment would ultimately become the Risk Register of the company. The clear expectation, however, is that you cannot do this single-handedly. You have to apply a teamwork approach to this. Do it any other way and your coverage will be incomplete, non-conclusive and the ownership of the results or output will also not be shared by your colleagues, shareholders and even your employees. By the same token, don’t go about saying that your business is too small, that you know everything about the business, or that this is simply clerical so you leave it to some staff to just do it and you simply file it as if you are simply satisfying somebody else but your business. You need to take this assessment up as a serious responsibility.

Now think hard and try and answer for yourself the real hard question - what do you consider are the risks facing your business or company? Are you feeling uneasy? Don’t be.. Read on!!
Here are some hints to ponder on. There are:

- **People Risks** - which relates to those who work with or for your company.
- **System and Political Risks** - which relates to the business environment that you operate in.
- **Operational Risks** - which relates to the equipment, policies, procedures, information systems, etc that are utilized to perform the company’s business.

In addition to the above, we can also speak about the inherent or in-built risks that more or less “comes with the territory”.

There may be not much you can do to avoid these risks but you could invest in managing the risks either via a direct risk mitigation action or put in adequate controls that will provide you the desired comfort zone.

When you encounter risks, you can choose to share it by taking insurance for example. You can also choose to eliminate the risks by putting in adequate system and operational controls or you can choose to avoid it by changing something that you do or have which you might have assessed to be the cause of the stated risk.

The worst scenario you can face comes when you are confronted with an invisible risk - one you are not (or will not be) aware of, or one you are unable to determine using any of the tools at your disposal and thus one that you will be unable to assess the likelihood or probability of occurrence, or the nature or style of impact when it hits you.

You can choose to take risk management for granted or choose to make it a central object of senior management attention. Whatever choice you make could lead to the type of smile that you will put on your face at a later stage.

It is always recommended that you err on the side of caution. Therefore, keep risk identification, assessment and management central to your company’s strategic outlook whether you are an owner, a manager or just an ordinary worker. After all, you must never lose sight of the fact that YOU have as much a stake in a risk-aware environment as the success you desire for yourself and for your company.

The days of staying aloof are over. You can choose to stay on the path of competitiveness by looking beyond the obvious. Think outside the box. It is not only about the daily routines that you go through every day. Your success is not only measured by the monies and profits that you make... it is also measured by your company’s resilience to the adverse effects of risk as they zoom from the path of conjecture and probability to reality and occurrence.

The question is - are you prepared? You are the best judge of your situation. If you are at a loss, don't lose hope!! just remember that it is perfectly okay to call in some help to help you wade through this maze. Remaining competitive can only be synonymous with remaining current with the right actions.

Enjoy your risk assessment exercise!!