MANAGEMENT OF OPERATIONAL RISKS WITH RISKCITY WEB

WITHOUT ANY MEDIA BREAK FROM DETAILED MEASURE TO THE MANAGEMENT REPORT

Murphy's Law:

> If anything can go wrong, it will go wrong …
>> … at the worst possible time,
>> … in the worst possible way.

> If everything seems fine, something has been ignored.

Murphy´s law is not only essential for a single risk, but also for the process of risk management!

Successful risk management is based on completeness and transparency.

RiskCity gives advice to several questions:

> Which corporate risks are existing?

> Which risks are to revise?

> What counteractions are planned?

> What's the realization progress of actions?

> Which Ad-hoc-Messages are on hand?

> Are the risk reports complete?

> What is to be reported to the board?

RISKCITY
FUNCTIONAL BENEFITS

> Consistent specification of hierarchical model

> Mapping of organization and corporate group structures

> Distribution of risk-templates

> Systematic gathering of risks and actions

> Skill-based input screens for data collection

> Quantitative or qualitative assessment for gross, expected and target risk

> Ad-hoc message generator

> Early warning indicators

> Historization of report data

> Observation of deadlines for check cycle and actions

> Scalable reports for group structure

RISKCITY
SYSTEM-ORIENTED BENEFITS

> High usability, little time and effort for training

> Multi language support

> User administration on user layer

> Excel export for special evaluations

> Workflow module can be integrated for high process reliability

> Comprehensive deadline tracking via reminder module

> Connection to existing user administrations via LDAP incl. SSO

> Scalable from single user up to enterprise solution

> Available as SAAS-solution „risk management on demand"

> No local installation of software required

RISKCITY
FUNCTIONAL COMPONENTS

Report consolidation und evaluation

- Overview corporate risks
- Presentation of risk portfolio
- Progress of actions

- Traffic-light report
- Time series report
- Early warning indicators

- Previous month comparison
- Risk- and observation areas
- Filter by corporate structure

Risks

- Creation and maintenance
- Control of check cycle
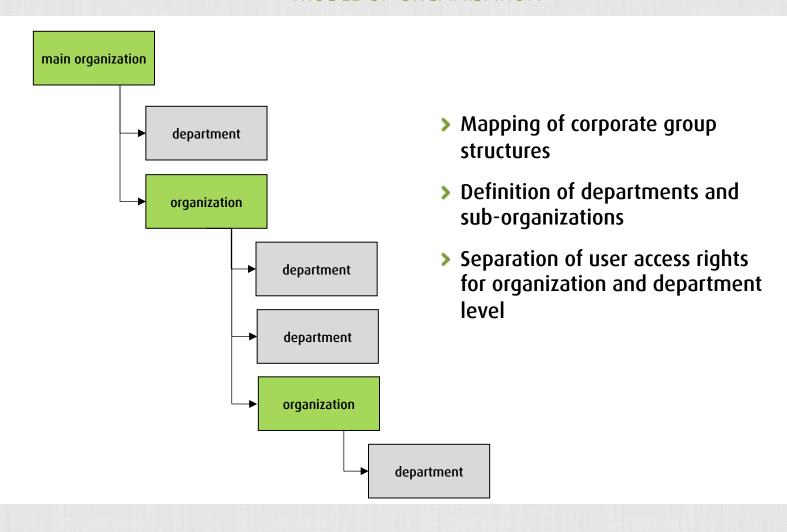
Actions

- Creation and tracing

General functions

- Personal desktop
- Ad-hoc-message
- Access protocol
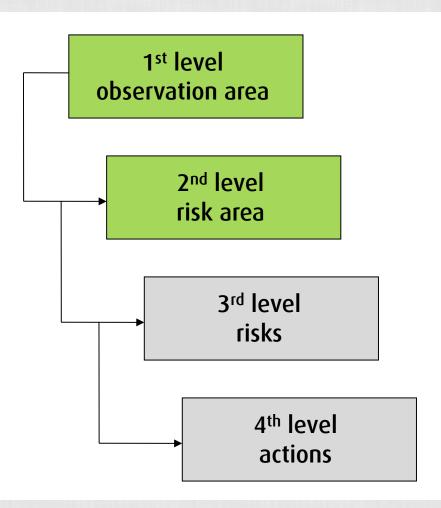- File attachments

Master data and basic functionality

- Configuration of hierarchical tree
- Mapping of corporate structure
- Configuration and user roles

- Configuration of observation and risk areas
- Language configuration
- Skill configuration

RISKCITY

MODEL OF ORGANISATION

```
┌─────────────────────┐
│  main organization  │
└─────────────────────┘
        │
        │    ┌─────────────────────┐
        └───▶│     department      │
        │    └─────────────────────┘
        │
        │    ┌─────────────────────┐
        └───▶│    organization     │
             └─────────────────────┘
                    │
                    │    ┌─────────────────────┐
                    └───▶│     department      │
                    │    └─────────────────────┘
                    │
                    │    ┌─────────────────────┐
                    └───▶│     department      │
                    │    └─────────────────────┘
                    │
                    │    ┌─────────────────────┐
                    └───▶│    organization     │
                         └─────────────────────┘
                               │
                               │    ┌─────────────────────┐
                               └───▶│     department      │
                                    └─────────────────────┘
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> **Mapping of corporate group structures**

> **Definition of departments and sub-organizations**

> **Separation of user access rights for organization and department level**

1st level
observation area

2nd level
risk area

3rd level
risks

4th level
actions

Strategic specification

Default risk structure
level 1 – 2 provided by central risk manager

Operational recording

Processing of risk structure level 3 - 4 by risk owner

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THE COMPONENTS

MASTER DATA AND BASIC FUNCTIONS

- Upkeeping of observation and risk fields
- Figure of the company organization
- Configuration and role assignments
- Language and skill settings
- Virtual Desk
- Access Log
- Attachments

RISKS AND MEASURES

- Recording and maintenance
- Monitoring of overdue events
- Follow-up of measures
- Assess risks and reports
- Central distribution or decentralized collection

CONSOLIDATION AND EVALUATIONS

- Overview and current status of risks and measures
- Presentation of the risk portfolio
- Traffic light and time series reports
- Comparison of previous month
- Target group-specific evaluation via risk book
- Filter by organizational structure

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THE METHODOLOGY

RISK IDENTIFICATION

- Group-wide deployment of risks (top-down)

- Integration of risks into the hierarchy tree (bottom-up)

- Integration of early warning indicators

RISK ASSESSMENT

- Qualitative and quantitative assessment of risks

- Risk portfolio (subjective assessment of level and probability)

- Risk simulations are possible with external tools, e.g. @RISK

RISK MANAGEMENT

- All common methods can be used: avoiding, reducing, passing on and self-bearing of risks

- Action orientation by transparent tracking of measures

> **Define hierarchies (observation fields, risk fields)**

> **Map corporate structure**

> **Assign roles and skills to employees**

> **Set access rights and language**

> **Manage keywords**

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> Entering risks and classifying them in hierarchy trees

> Perform or update risk assessment

> Link measures

> Report risks

> Deadline monitoring

PRESENTATION OF THE SOLUTION / MEASURE MANAGEMENT

> **Planning and monitoring of measures**

> **Automatic link to associated risk**

> **Deadline monitoring**

PRESENTATION OF THE SOLUTION / EVALUATIONS

> The breadth and depth of the evaluations can be configured via filters and options.

> Evaluations individually for each organization or cumulated with the involvement of subordinate organizations

> Various evaluation options such as risk portfolio, time series considerations or comparison of reporting months
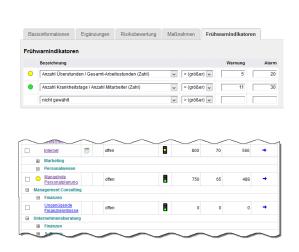
RISKCITY
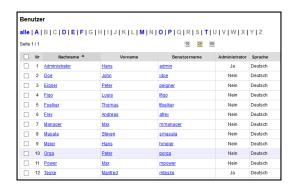
PRESENTATION OF THE SOLUTION / MODULE RISK BOOK

> From the management report on the overall risk situation to the customer-specific report

> Target group-oriented output through the use of profiles

> Full configurability in the graphical representation as well as in the scope of the output data
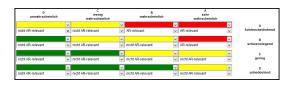
> Direct export in pdf form possible

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PRESENTATION OF THE SOLUTION / EARLY WARNING INDICATORS

> Multilingual configuration incl. determination of the unit of measurement

> Assignment and actual recording for each organization

> Under- or exceeding can be selected

> Automatic traffic light calculation

> Up to 3 early warning indicators selectable

> Triggering recognizable by flags in the views and notification by e-mail, configurable

- Controlled access via Person document

- Management of the group structure and configurations

- Configuration and management of help areas

- Customize keywords and keyword lists

- Configuration of all mail notifications

- Definition of thresholds and matrix

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> **Languages**

- individuell für jeden Benutzer einstellbar

> **Management of attachments**

- Location configurable (database oder ftp)
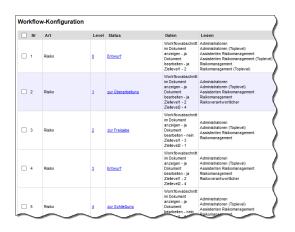- Customizable list of allowed file attachments

> **Databases**

- Oracle, MS SQL, MySQL or PostgreSQL

> **Tooltips**

- Activation for each user separately
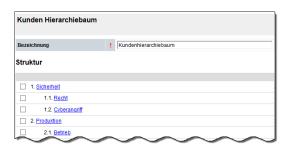- Maintenance via administration

- Run via buttons, graphically supported

- Any number of workflow stages can be set

- Status, permissions and behavior are configurable separately for each level

- Optional mail notification for each workflow stage
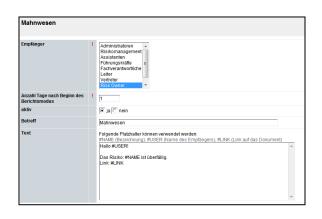
OPTIONAL MODULES / CUSTOMERS - CUSTOMER RISK REPORTS

> **Different customer hierarchy trees configurable**

> **Effects of the individual risk on the respective customer**

> **Customer-specific explanatory texts can then be stored for each risk.**

> **Customer-related creation of evaluations possible**

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OPTIONAL MODULES / REMINDER

> Configurable via the administration area

> Any number of reminder levels adjustable

> Triggering before reaching or after the selected deadline

> Mail notification optionally based on stored configurations

RISKCITY
INTERFACES

> General

- Interfaces to OLAP- or SQL-based systems can be created project-specifically
- Connection of existing user administration via LDAP possible
- SingleSignOn (SSO)

> E-Mail-Clients (e.g. MS Outlook)

- Mail notification possible
- Further functions are possible on a project-specific basis

> MS Office

- Excel Export
- File attachments can be integrated
- PDF Export

RISKCITY
SERVICES

> **Consulting**

Decisio also provides consulting services for the introduction or optimisation of risk management.

> **Customizing**

Configuration and customer-specific program adaptations are possible.

> **Hotline**

2^{nd} Level support by phone and mail as part of the maintenance contract.

1^{st} Level support individually by arrangement.

> **Migration of data**

After detailed analysis as a service

> RiskCity is an industry-independent solution. Since 2003, the first version of RiskCity has been running at a customer's premises.

> RiskCity offers a flexible, customer-specific configurable framework in which the risk management of a wide variety of industries can be mapped.

> RiskCity is built on a powerful development framework. As a result, customer-specific requirements can be implemented quickly and cost-effectively.

> Statement of an auditor to a RiskCity client: "Your risk management is better than that of many DAX companies."

RISKCITY

THE RISK MANAGEMENT TOOL RISKCITY …

> … supports the whole risk management process required by KonTraG.

> … avoids loss of information.

> … records internal Ad-hoc-messages.

> … is focused on an action oriented risk management with counteractions.

> … is the platform for complete und transparent risk documentation.

> … simplifies administration, documentation and reporting by default processes, structures and workflow.

> … is ready to use as an SAAS-solution „risk management on demand"

> … can be used as a global or local corporate application.

> … is scalable from single user to multi language corporate group solution.

RiskCity – Without any media break from detailed measure to the management report

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