



Griffin News



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Recently Riskflow Technologies launched Version 6 of ALMAN. Read more about this on page 2

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The latest buzz words are “job creation”. What would be the base for job creation? More than words are needed

4 REPUTATIONAL RISK
Reputational Risk is often called the Cinderella of Risk Management. Read more about what the ECONOMIST found about what Risk Practitioners say about Reputational Risk. Is it any different today?

CALENDAR
Up coming events:

“Learn Breakfast” on People, People, People, then Technology presented by Lawrence Mlotshwa on 20th May at Balalaika Hotel, Sandton.

2011

A wind of Change at RISKFLOW

The first 4 months of 2011 were filled with change for Riskflow. Riskflow adopted a new structure of companies: Riskflow Holdings, Riskflow Technologies, Riskflow Institute and Business Optimizer. New energy was released into the activities of all the companies. Prof Bernie van Zijl was appointed at the new CEO for Riskflow Institute, completing the circle of leaders taking RISKFLOW into the future or rather “Managing the RISK of Tomorrow, today.”

A new brand was created. The “griffin” will be the the symbol of strength. For Riskflow the “griffin” is the custodian of governance and protector of wealth. The “griffin’s” watchful eyes and strength portrays the characteristics and competencies needed for Financial and Operational Risk Management. The dark blue griffin symbolizes prudence and care, vigilance and trust.

The old Logo



The new Logo



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A Specialised MBA in RISK- A Risk practitioner’s companion.

One of the crucial issues for Risk Practitioners in South Africa is the lack of a clear career path definition for Risk Practitioners. Riskflow, with its ACTION LEARNING approach intentions are to change the status quo in this regard. New Risk Management Programmes in collaboration with South African Higher Learning Institutions would lead in the definition of a career path for Risk Practitioners.



LAUNCH ALMAN VERSION 6

REPRESENTATIVES FROM:

ABSA, Post Office and Post Bank, Ubank, CBZ Bank (Zimbabwe), NBS Bank (Malawi), Ithala Bank and Riskflow.

Magna Aliqua



The Launch of ALMAN Version 6

On the 17th of March, ALMAN V6 was launched, the flagship product of Riskflow Technologies.

The event was held at a picturesque venue in Houghton Suburb, Johannesburg. The guests included delegates representing:

- ABSA Bank
- ABSA Capital
- CBZ Bank (Zimbabwe)
- Ithala Limited
- NBS Bank (Malawi)
- Post Bank
- SA Post Office
- Ubank Limited

Due to logistical reasons, many of Riskflow's clients from outside of SA were unable to attend. A copy of ALMAN V6 will soon be finding its way to these clients.

One of the key messages that came out of this launch, besides how passionate and enthusiastic Riskflow is about risk management was how Riskflow does not just want to encourage regulatory compliance in Risk and ALM departments. Riskflow also wants to encourage change in the course of banking in line with its vision – ***“to be the preferred service provider of: - strategic financial planning and treasury management tools and solutions”***

The statement “Customer is king” resonates the true spirit of Riskflow's relationship with its clients. ABSA requested for the automation of their routine monthly processes while Fidelity Bank (Ghana) requested for a new product. This set the background for the birth of ALMAN V6. These two requests spurred numerous changes in ALMAN.

As Illse Nell (Head of Operations) explained, “A whole collection of new features were developed...”

The New Product

NEW PRODUCT:

Treasury notes (YTM Extension). The request was to enter YTM products in a similar way to term products with daily maturities. This will minimise the maintenance of the model, the model size, and the run time. However, analysts will still have the ability to analyse individual contracts under the “Test” button. This improvement also allows for the provision of future bond purchases.

AUTOPILOT:

Automate monthly routine processes. This function allows the financial reports to be generated at the click of a button. Not only does this reduce the report preparation but also gives more time to analysis and result interpretation.

Other features of ALMAN V6 include:

Primary Scenario definition – A user is now able to define what his/her basic strategy.

THE LAUNCH AT LUNCH!

Time for “serious play” - Lunch time at the launch of ALMAN Version 6.

“Play introduces a light touch of curiosity and a selective relaxation of constraints that can transform serious work...serious play is the generation of knowledge through free exploration, improvisation, experimentation, levity and sport.” *Palus & Horth*



Previously ALMAN defaulted to the second view and or strategy.

New report writer features – Any sub selections made are marked and highlighted on a summarised panel.

Multiple strategies – Each strategy can be allocated to a different strategy type.

Central Bank requirements – deductions allowed by your Central Bank can be specified in the model.

Import EXCEL 2010 file Import dates not sensitive to Excel date-format

Daily Gap & Liquidity Report buckets

Upgrade notification & downloads from the Internet

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Changes to existing functionality included:

New Gap report layout

Extended months for Income Statement (NII) Sensitivity report.

Prompt for model load if no model loaded

Generate log option switched Insert multiple copies of a new product type

Interest rates for term products

Explanations for rejected imports

Default “Don’t use primary strategy”

“DEFAULT” lists, not “OTHER”

Report depth default “Compress all”

Logical filenames for Run Logs

FIND features function for NIS items

Additional fields for printing Product details

During the launch, many ideas and “nice to haves” were raised which will be implemented in ALMAN V6.0.2. If you have any requests, please email alman-support@riskflow.com



**THE SOCIAL
ENTREPRENEUR
INFORMAL SETTLEMENT
IN SOWETO**

This image should not be part of South Africa today! What are the solutions?

Read article written by Prof Bernie van Zijl on Social Entrepreneurship posted on this page.



A serious solution!

Social Entrepreneurship and Job creation

The most popular words in South Africa must be “job creation”. This is however easily said than done. To provide sustainable job opportunities are in need of serious enabling frame works. Strategic decisions and enabling frame works would be necessary to fulfill a dream of job creation and eradication of poverty in South Africa and Africa for that matter. A strong will and goal setting exercise will need top priority. Botswana government has set an example for the millennium goals. They have decided to make *technology* a strategic matter. All decisions are focussed towards this one issue!

With the right strategies informal settlements will not exist. Why is it that Turkey, a country with the same size of economy as South Africa, do not have informal settlements. The reason is easy to explain! It is illegal to establish an informal settlement in Turkey, I was told!

Informal settlements in the sense of poor health, poor service delivery and overall living conditions cast a shade on South Africa’s Human Rights and Constitution. Everything need to be done

to solve this problem. We easily talk about “entrepreneurship” and enterprise development. Why not give social entrepreneurship a change?

Social Entrepreneurship?

By using the principles of entrepreneurship, social issues and social crisis like poverty could be solved. Social entrepreneurs work towards creating a better world for all. It is all about the concept of “collaboranomics” - creating a economy through collaboration. It is all about the sharing of profit to the benefit of the society.

Combine this concept with another popular concept of “infonomics” - a creation of a economy build on information - information technology and systems - creating technology enabling frameworks - the recipe is nearly complete.

Business Acumen!

No one can disregard the role of poor education as a reason for a lack in enterprise development. Another strategy focusing on education and training. Grass roots training in business acumen -

finance literacy, market and product understanding is non-negotiable.

Business Optimizer, a subsidiary of Riskflow endeavour is to play in this market space!

The goal for Business Optimizer is not only to provide the tools to enable successful business development, but to actively play a role in the establishment of social enterprise projects.

Action Coaching!

Learning should be part of every day life! Learning without the companion of an Action Coach will not find its feet within practice! An attitude of mentoring and leading will assure success!

Competent LEADERS is a further ingredient to success. So often we neglect the development of competencies conducive to turbulent times! These competencies are specific, focussed on personalisation, imaging, co-inquiry, co-crafting and taking note of the context of business. The element of “serious play” is a prerequisite! People should enjoy what they are doing! It should be fun! For this we will need more innovative ways in using technology as a departure to achieve the goals for job creation.

REPUTATIONAL RISK

Risk of all Risks!

Feature Topic!

Reputation: Risk of Risks

The Economist in 2005 did an extensive research on the topic of REPUTATION. Out of 269 respondents - all senior executives responsible for Risk 84% indicated that the risk to their company's reputation had increased. Reputational Risk emerged on top of 13 Risk Categories. What was the important message then?

Reputation is a prized, and highly corporate asset

Reputation is one of the most important corporate assets, and also one of the most difficult to protect, according to executives in the survey. In the Economist Intelligence Unit's Risk Barometer, a regular feature of the risk programme's quarterly surveys, reputational risk emerges as the main concern for the majority of risk managers—ahead of regulatory risk, human capital risk, IT network risk, and market risk and credit risk. This preoccupation with reputational risk stems primarily from the fact that executives now see reputation as a major source of competitive advantage. But changes in the business environment have also made companies more vulnerable to reputational damage, with the development of global media and communication channels, increased scrutiny from regulators and reduced customer loyalty cited as three issues that expose companies to increased reputational risk.

Companies struggle to quantify Reputational Risk

Risk managers are divided on whether reputational risk is an issue in its own right or simply a consequence of other risks. The latter view predominates where there is a tradition of well-structured risk measurement and

management.

In industries where risk managers feel they have identified the key first-tier risks facing their business, they may be more inclined to consider reputational damage as simply a failure to manage these risks properly. In contrast, in sectors where first-tier risk is less quantifiable they are more likely to see reputational threats as a class in their own right.

Compliance failure are the biggest source of reputational risk.

Compliance failures are the biggest source of reputational risk. The biggest threat to reputation is seen to be a failure to comply with regulatory or legal obligations. Failure to deliver minimum standards of service and product quality to customers is a close second. The risk that unethical practices in the organisation will be exposed follows closely behind.

However, failure to hit financial performance targets scores only modestly. Both labour unrest and environmental breaches are also considered an unlikely source of reputational damage.

The CEO is the principal guardian of corporate reputation.

The CEO is regarded as the individual with primary responsibility for managing reputational risk by most organisations in the survey. The chief executive is pivotal in providing an ethical identify for their companies. They also co-ordinate the response of other senior managers to reputational threats and crises. By contrast, the chief risk officer (CRO) has a more technical role, attempting to quantify threats to reputation and policing systems to make sure that they are properly enforced.

© The Economist Intelligence Unit 2005

Is Reputational Risk any different today? See events on this topic: "Think reputation not only brand!"



"Cash flow management is fundamental to business success. Cash flow management means financial literacy—the ability to read and make sense of financial statements. Many small-business owners and individuals go under because they can't tell the difference between profit and cash flow. Profit may be phantom cash flow. Actual cash flow is to a business what blood is to the human body."

- Robert T. Kiyosaki, Rich Dad Poor Dad

See

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- * Reduce Risk
- * Have control of your cash flow
- * Save time to create new business!



CALENDAR:

MAY

20th May: People, People, People, then Technology. Presented by Lawrence Mlotshwa.

JUNE

2nd June: Corporate Governance, yo big for Small and Medium enterprises? Presented by Terry Booysen. CGF

AUGUST

MBA in RISK first cohort.

SEPTEMBER

8th September: Think Reputation, not only Brand. Presented by Sean McCoy, HKLM

OCTOBER

Social Entrepreneurship - Adv. Dawie Crouse. The Good Card.

GRIFFIN NEWS

Griffin News is the official Newsletter of Riskflow under the custodianship of Riskflow Institute. Send you views and reviews to theinstitute@riskflow.com

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NEW!

“Learn” Breakfasts

Riskflow Institute presents a series of “Learn” Breakfasts. The topic will range from “people” related issues, to technology and social enterprise development.

The first topic: “People, People, People then Technology! Presented by Lawrence Mlotshwa On 20th May 2011. Contact either Phoebe Chapman or Agnes Guvaza at 011-7040648 for information.

The second “learn” breakfast will be held on the 2nd of June 2011. The topic will be presented by Terry Booysen from CGF on “Corporate Governance - to big for Small and Medium enterprise? Also contact Phoebe Chapman or Agnes Guvaza at 011-7040648.

MBA in RISK presented by

businessschool™
netherlands

Contact Agnes Guvaza at 011-7040648 for information.

The Degree is designed as a specialist MBA in Financial and Operational Risk. The modules consist of

- * Operation Risk Management
- * Financial Risk Management
- * Information Management
- * Strategic Management
- * Marketing Management
- * Operations Management
- * Human Resource Management

“Data in not Knowledge” Albert Einstein.

LEARN ABOUT!

BASEL III is a new global regulatory standard on bank capital adequacy and liquidity agreed by the members of the Basel Committee on Banking Supervision. The third of the Base Accords was developed in a response to the deficiencies in financial regulation revealed by the global financial crisis. Basel III strengthens bank capital requirements and introduces new regulatory requirements on bank liquidity and bank leverage. The The Organization for Economic Co-Operation and Development estimates that the implementation of Basel III will decrease annual GDP growth by 0.05 to 0.15 percentage point.

Riskflow provides products to assist you in your risk management endeavour.

Find out more about our asset and liability software ALMAN and our treasury software TASMAN at

www.riskflow.com

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