



Jacob Business Armour



Powerful Solutions for Business Resilience

Enterprise Risk Management



WHY DO WE HAVE TO MANAGE RISKS?

Every business venture is a **risk**, and each business activity carries a degree of vulnerability. In essence, managing a business is actually managing its risks.

Risks are *uncertainties*. Some of them bring adverse implications, while others offer opportunities to help achieve results even better than expected. Some of them are small in impact, while others are large and may even be devastating. Being able to manage bad risks and exploit good risks are fundamental traits of all good managers.

All organisations take different approaches to managing risks, with each having their own risk culture. On one end, many are oblivious to the presence and consequences of risks, and react only when a risk has materialised. On the other end, a few proactively search for risks and have a system implemented to manage them. The vast majority lies in-between the two - they would do the minimum that time and resources accord them.

Many are only concerned with risks of sensational impact, such as earthquakes and major fire outbreaks. In reality and contrary to popular belief, it is actually the innocuous risks that spark off a chain of events with calamitous ends. Furthermore, small risks are expensive as they can cause operational down-time and drain company resources, thus affecting bottom-line results.

Proper application of risk management practices at all levels can enable an organisation to be at its industry forefront. This will require risks of all magnitudes to be identified and addressed. For this to be attained, senior management will have to cultivate a proper risk culture within the organisation in order to achieve sustainability and operational excellence.

Applying risk management on enterprise-wide basis provides an organisation with operational resilience. Amongst the numerous benefits of an ERM programme, the key ones are:

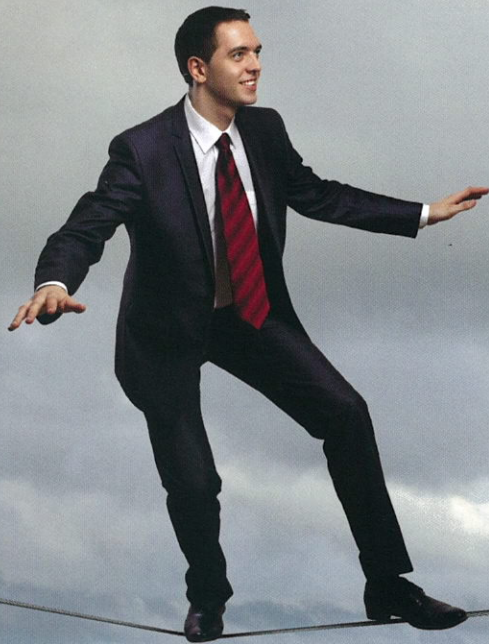
- Improved business continuity, thus enhancing customer service
- Improved shareholders' corporate governance
- Improved operational effectiveness and efficiency
- Increased employee morale and productivity
- Minimised downtime, wastages and losses, thus improving bottom-line results

The **J^aERM** Methodology

is by far the most effective way to implement an ERM programme.

This methodology is developed by Jacob Ngiam based on 19 years of risk management experience. For such innovations in risk management, Jacob was awarded Risk Manager of the Year 2006 by the Asia Insurance Industry.

If you are looking for an ERM programme that is practical and connected to the day-to-day operations for managing your risk environment holistically ... then the J^aERM Software-as-a-Solution is all you need.



The J^aERM Implementation

The **J^aERM** implementation strategy is a systematic and practical approach to promote corporate governance and operational excellence in an organisation.

Based on a **twin staircase** philosophy, it integrates both the requirements of *people* and *system* during the implementation phase. The programme is built upon a firm foundation provided by ISO 31000.

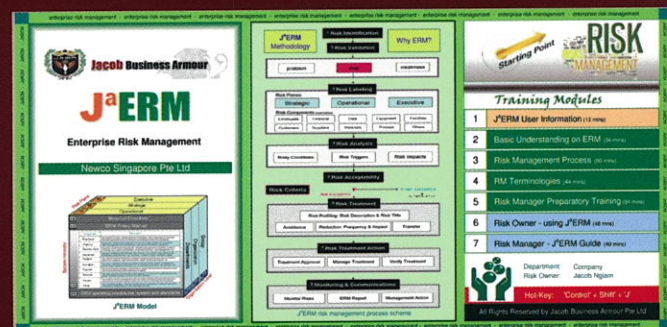


Clear Management Mandate

Management sets the context and objectives of the ERM programme according to the needs of the organisation and formalises them in the ERM Policy Manual.

Adequate Step-by-Step Training

Comprehensive **training** is included in the software. At each step, audio help is added to provide guidance to users on what needs to be done.



Training features are found everywhere in the software.

THE J^aERM SOFTWARE-AS-A-SOLUTION



Get the load off your back. Because now, you can implement ERM on your own and *with ease*

J^aERM Software-as-a-Solution is a complete package that contains all features integral to implementing a professional *Enterprise Risk Management* programme. You can now embark on the journey to build an ERM practice in your organisation that will satisfy international ERM Standards such as ISO 31000.

The **J^aERM** solution is designed and constructed by a practitioner familiar with the multitude of challenges that have plagued ERM implementers. Without proper techniques, systems and foundation established at project stages, implementation outcomes will ordinarily not achieve expected objectives. J^aERM is therefore built to enable one with a low-base risk management knowledge to successfully implement an effective ERM programme.

J^aERM is built on Microsoft Office platform, which means almost everyone can use it without the hassle of going for extensive software training. It employs Visual Basic programming language to combine the versatility of Excel, PowerPoint and Word all into one powerful and friendly tool. Easy mouse clicks navigate and access all functionalities with step-by-step instructions to carry out each phase of the risk management process.

There is no easier and better way to build your ERM programme than the J^aERM solution!

Customising J^aERM Software

The **J^aERM** software is *versatile* and can be customised to suit all organisations. The risk focus (i.e. risk universe) can be calibrated to apply to any industry. Customisation is done in 10 simple and guided steps.

The software also features *scalability*, allowing room for growth or for changes in operating conditions. Should there be a new risk focus, the programme can be easily tweaked so that all business functions can re-direct their risk management attention.

Risk Management Process

J^aERM emphasises a comprehensive identification of all risk that may be present in the organisation.

The user is guided on searching for the presence of risks and determining if an identified risk is a clear risk. It is drilled to expose its characteristics thereby rendering it treatable. Risks that are unclear are not manageable.

Identified risks are classified into **Risk Planes** (Strategic, Operations or Executive), and are then slotted into **Risk Components** in order to better enable risk management decisions and handling.

J^aERM provides users with **examples** of common risks contained in 25 risk components (*facilities, governance, reputation, partners, process, product, legal, etc.*) so that the search for the presence of risks is exhaustive. These examples are invaluable to the users.

The system then guides the user to carry out **risk analysis**, thereby providing insights into *risky conditions* and *risk triggers*. With these established, the *risk magnitude* is auto-computed to indicate its *risk severity*.

Risk treatments are prescribed on the diagnosis of risky conditions and risk triggers. Decisions on treatments will be based on cost-benefit such as *ALARP*, which are presented to risk supervisors for their decision-making. Actions are assigned to specific *treatment owners* and are followed through to ensure risks are well-managed.

J^aERM SOFTWARE FEATURES

(continued)

Risk Management Process (continued)

Bases		Impact Severity					
Financial	Severity	1	2	3	4	5	
		180,000,000	180,000	3,600,000	18,000,000	36,000,000	90,000,000
Frequency	5	monthly	QC	QB	QA	QA	QA
	4	annually	OD	OC	QB	QB	QA
	3	3 years	OD	OD	OC	OC	QB
	2	10 years	OD	OD	OD	OC	OC
	1	100 years	OD	OD	OD	OD	OD

This picture shows the *Risk Criteria*. Inputting impact and frequency on a 1~5 scale, J^aERM auto-computes the gross (before treatment) and net (after treatment) ratings. They are labeled according to their severity of impact – QA to QD.

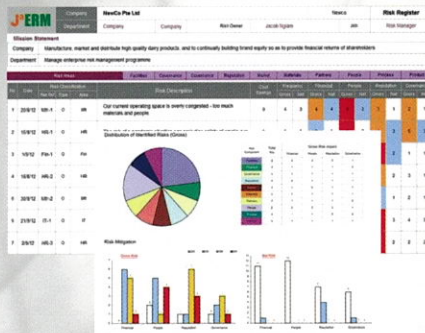
Risk Management Summary

Risk Description		Risk Reference: Mfr-1 28-Sep-12	
Old Cold-room refrigeration system may break down, and could lead to disruption to production operations.		Facilities	0
Risk Analysis	Risk Issues	Treatable?	Effective?
1 Risky Condition	20-year old compressors prone to breaking down	yes	very
2 Risky Condition	OEM are not supplying spareparts anymore	yes	good
3 Risky Condition	...	-	-
4 Risky Condition	...	-	-
5 Risky Condition	...	-	-
6 Risk Trigger	Cold-room doors kept opened for too long time (adding more load on compressor)	yes	some
7 Risk Trigger	Air-curtains not working	yes	good
8 Risk Trigger	Maintenance plan for compressors lacking	yes	good
9 Risk Trigger	Some times, large quantities of warm goods are brought into cold-room.	yes	good
10 Risk Trigger	...	-	-
		Adopt?	Action points
		KV	1
		-	-
		-	-
		adopt	3
		adopt	1
		adopt	2
		adopt	1
		-	-
Risk Rating			
Damage Area	Gross Rating	Net Rating	Change
Risk Frequency	4	QB	2
Financial Impact	4	QB	2
People Impact	3	QB	2
Reputation Impact	4	QA	2
Governance Impact	1	OC	1
		QD	good improvements
		OD	good improvements
		OD	some improvements
		OD	good improvements
		OD	not improved or regressed
Value@Risk			
	@ Gross Rating = 1,550,000	@ Net Rating = 55,007	Treatment Costs = 4,920
Risk Treatment Feasibility: Favorable		1,490,073	
Electronically approved by: Paul 4/10/2012 12:59		Electronically authorised by: Jacob Ngiam 4/10/2012 12:59	
Risk Owner		Authorising Person	
		Accepted for publishing in ERM Report	

Risks are individually profiled and recorded in the Risk Summary form, which is electronically signed by the *risk owner*, *risk supervisor*, and *treatment owner*.

Risk Communications

Risk communications are essential to the effectiveness of the ERM system. J^aERM employs a system of *Risk Supervisors* who are appointed to oversee the management of risks on the behalf of shareholders. The status of risks are communicated from risk owners to these supervisors in line with the reporting protocol set by the Management. The Risk Manager generates the Annual ERM Report covering the organisation's risk situation for top-down mandate.



Generated Report

OUR IMPLEMENTATION ASSURANCE

The final programme installed must produce tangible benefits for you. However, surveys have shown that past implementations had been problematic. Therefore, J^aERM is designed to avoid implementation pitfalls.

J^aBA assures users of the J^aERM software that they can obtain the results intended. We also offer different schemes of assistance* in implementation should you require any, including conducting a turnkey project delivery.

Contact us, and we are happy to discuss how you can ensure success in adopting ERM in your organisation!

*Terms & Conditions apply.

WHY J^aERM WORKS

LOW IMPLEMENTATION COST
PAINLESS IMPLEMENTATION
LOW PROJECT RESOURCES

STEP-BY-STEP GUIDANCE

EASY-TO-USE PLATFORM

VERSATILE & SCALABLE

HIGHLY CUSTOMISABLE

SOFTWARE APPROACH

PRACTICAL SYSTEM

J^aERM FEATURES

MANAGEMENT VALIDATION

7 TRAINING MODULES

REPORT GENERATION

ERM POLICY MANUAL

TIME PLANNING

USER MANUAL

RISK MANAGEMENT

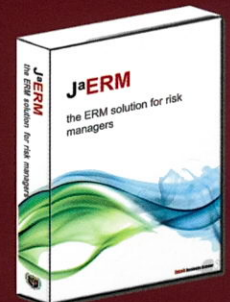
Auto Risk Impact Quantification

Risk Analysis Forms

Risk Appetite Setting

Key Risk Indicators

200 Risk Examples



J^aERM PACKAGE

J^aERM SOFTWARE

SOFTWARE SUPPORT

CONSULTANCY SERVICES

1-YEAR FREE MAINTENANCE



OCCUPATIONAL SAFETY & HEALTH

ENTERPRISE RISK MANAGEMENT

CRISIS MANAGEMENT SYSTEM 4A

BUSINESS CONTINUITY MANAGEMENT

Jacob Business Armour Pte Ltd

Corporate Office
212, Loyang Rise
Singapore 507389

Tel: 98793950 Fax: 65464162
enquiries@jaba.com.sg
www.jaba.com.sg