

55th EOQ Congress
World Quality Congress
Budapest, Hungary - June 20-23, 2011

"Navigating Global Quality in a New Era"



June 22, 2011 (Wednesday) 55th EOQ Congress

CONCURRENT SESSIONS
KEMPINSKI HOTEL CORVINUS

Wednesday 8:30 – 12:30
Erzsébet tér 7-8, Budapest V.

REGINA BALLROOM III.

Wednesday 8:30 – 10:30

21.1. FUTURE OF QUALITY AND RISK MANAGEMENT

Session Chair: *Gregory H. Watson, Acting Chairman and President of the International Academy for Quality, Finland*

9.50 A Systematic Approach for Corporate Risk Management

Zoltán Karászi, TÜV Rheinland InterCert Ltd, Hungary

Karászi, Zoltán (Hungary)

Managing Director of TÜV Rheinland InterCert, an international certification company. He graduated at the Budapest University of Technology, Faculty of Electronics and additionally got diploma in economics and received a number of international professional trainings. He speaks English, German and Russian. From 2000 until 2005 as a Sales Director of a French-Italian-owned company Microelectronics, the world's leading semiconductor manufacturing companies, he multiplied tenfold the company's revenue. He became the managing director of Chesterton International, a Key Supplier for Power Plants, MOL Group, Paks Nuclear PP, Borsodchem, TVK, MAL, etc. After many years of successful managerial jobs he received a new challenge in 2010, he was appointed as Project Co-ordinating Director of TÜV Rheinland in Hungary. The first task was the full coordination of the merger of four Hungarian TÜV Rheinland subsidiary completed successfully. He is now the Managing Director of the unified TÜV Rheinland InterCert. An important objective his goal is to develop the Central and Eastern European business and a cross-selling system. In private he is a great sportsman and has two children.

55th EOQ Congress as World Quality Congress „Navigating Global Quality in a New Era”

A Systematic Approach for Corporate Risk Management

By Zoltán Karászi, Managing Director
TÜV Rheinland InterCert Ltd, Hungary



Karászi Zoltán



TÜV Rheinland Group: At Home on All Continents.

490 locations in 61 countries around the world.



Karászi Zoltán



Our Services.

More safety and quality –
for your competitive edge.

Testing

Inspecting

Certifying

Qualifying

Education

Products

Systems

Processes

People

Karászi Zoltán



Merge Project for TÜV Rheinland's Hungarian Group



Karászi Zoltán



A Systematic Approach for Corporate Risk Management

Both the external entrepreneurial environment and the internal Structures&Processes are rather complex for today's corporations and enterprises.

The expectations from different stakeholders are ever growing, they are numerous and serious.

Legal requirements, commercial and financial aspects but also environmental regulations, safety, quality assurance standards rule the agenda of medium and high ranking managers of the companies.



Karászi Zoltán

 TÜVRheinland®

A Systematic Approach for Corporate Risk Management

There are further aspects - so further areas of risks, those of the share holders or private investors as owners:

What do I want to do with "my" company, what are my short and medium term and strategic qualitative targets for the company as a whole? Is there a strategic plan?

DO I have the right management?

Managers' targets are rarely or never same as the share holders' targets.....!



Karászi Zoltán

 TÜVRheinland®

A Systematic Approach for Corporate Risk Management

*Certainly most risk sorts are not static phenomena! **DYNAMIC APPROACH!***

- *neither the "bad" nor the "good" risks (or chances)*
- *a consultative way, cross fertilized inputs gathered from a global organizations,*
- *a regular monitoring system and living documentation*



Karászi Zoltán



MINDSET → RISK AWARENESS → TRAPPED in a RISK „black hole” → „I can live with it, because I manage it or my people/suppliers manage it



Karászi Zoltán



Risk Classification – a broader view!

Operational Risks
 Ajánlati folyamat
 Információ áramlás
 Alaptevékenység folyamata
 Könyvelési folyamat
 Humán kockázatok

Financial Risks
 Tőke költség
 Piaci kockázatok
 Banki kockázat

Ügyfél/iparág változása
 Növekedési stratégia
 Márkanév/imidzs
 Verseny

Strategic Risks

Felelősségi kockázatok
 Természeti károk
 Vagyon kockázatok

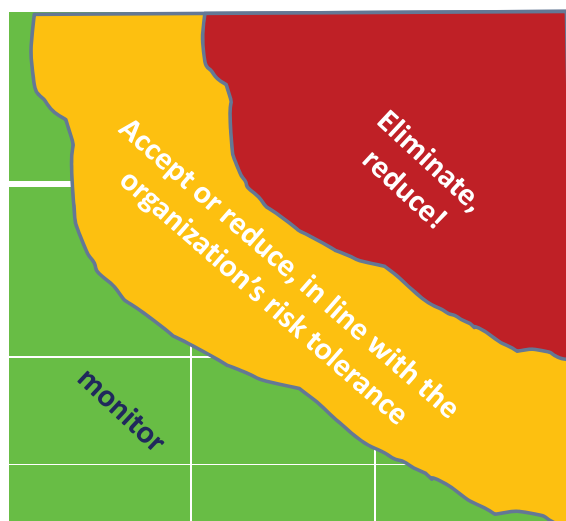
Objective Risks

Risk Mapping – a broader view!

Risk: checklist and evaluation

Risk Map , Risk handling

<u>Risk definition</u>	<u>Impact (magnitude)</u>	<u>Probability level</u>
Product related	Critical	medium
Supply Chain	significant	low
Accident on Workplace	significant	medium
Wrong execution	Critical	low
Theft	significant	low



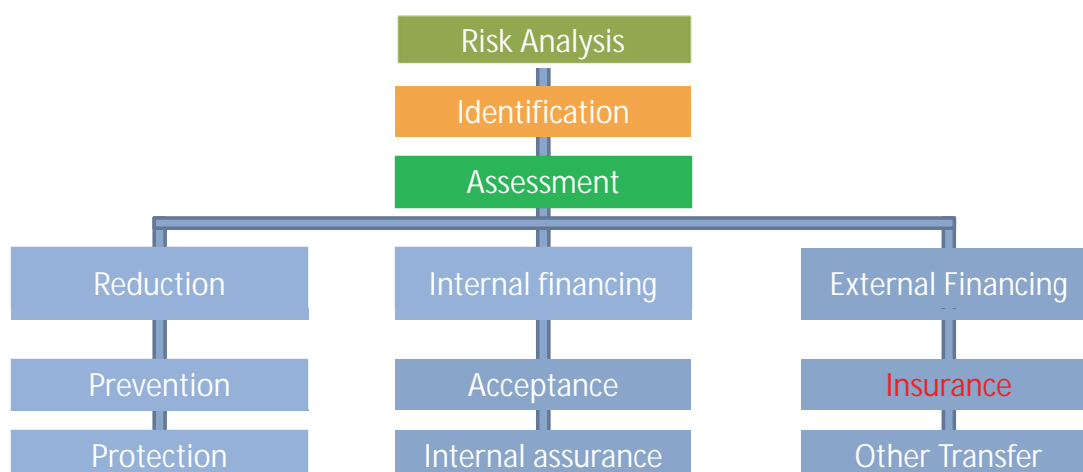
Considerations for risk handling measures

Impact	Risk Management Measure		
Critical	Measures needed	Risk handling and monitoring necessary!	Complete and thorough risk handling with continuous monitoring! „No way around”!!
Significant	Acceptable risk, monitoring	Risk handling recommended	Risk handling and monitoring necessary!
Neglectable	Risk accepted	Risk accepted but monitored	Risk to be handled than monitored
	low	Medium	high
	Probability of occurrence		

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Logic and financing of risk handling



The Insurance doesn't eliminate or reduce risks, it handles their damage consequence financially only !

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Risk management : to be embedded into the overall Management System

Walking the risky path → management

The definition of risk management has changed to “coordinated activities to direct and control an organization with regard to risk”,



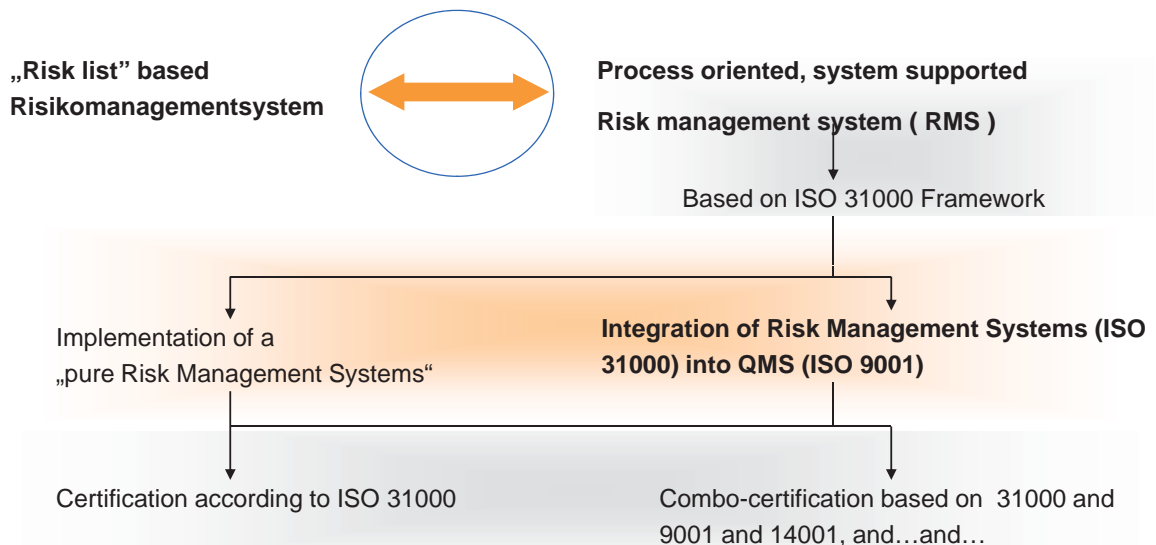
ISO 31000

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TÜV Rheinland's Risk Management Concept

Not one more ISO xyz, but Integration/Harmonisation to QM



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55th EOQ Congress as World Quality Congress

„Navigating Global Quality in a New Era”

TÜV Rheinland - one of the leading experts in Quality Management Systems, a dominant player in human, technological, environmental and information security risk assessment and conformance has realized that there is a new level of looking at a modern corporation as subject of "bad and good" risks.

A systematic, independent and objective risk mapping for the share holders and for the top operative executives provides the "stirring wheel" for strategic and operative management of values, assets and resources!

