

Risk Management, Strategy and Policy Formulation Program Pension Schemes



Finnet

GOVERNANCE | TRAINING | EMPLOYEE BENEFITS | TECHNOLOGY



- Prof. Fred Ogola arrived at this Conference as the DVC Uzima University- Research, Innovation & Enterprise Development. His latest appointment is Deputy Vice Chancellor Academics- University of Kigali Effective 3rd March 2025.
- He is Professor of Strategy and Corporate Governance.
- He obtained his PhD from ESADE Business School, Barcelona Spain. He has two master degrees- MBA from CUEA, Master of Research from ESADE business School. He has 5 Undergraduate Degrees- Psychology, Philosophy, Theology, Economics and Urban Planning and City policy.
- He has formulated and advised over 1731 Strategic plans as of Dec.2024
- Trained over 5,000 companies average of 200 staff= 1,000,000 executives trained
- Author of two best Sellers books in Africa- Strategic thinking & Solomonic Economics. He has published over 50 articles in Refereed journals, over 3,000 Articles in Daily Newspapers and written over 483 curriculums.
- His best-seller book in Economics-The Great Leap: Solomonic Economic: Why it is Imperative to consider a knowledge-based economic model is the Networking fired that has Landed him a job in Kigali

TBS Directors Profiles

<https://fredogola.com>

Second Director:

**Rebecca Gombe
Mwachongo- Deseased**

Session 1

1

Strategy Development and Execution

Mantra

Great boards is about Great
Decisions

Why Strategic Planning?

- ❖ Process to establish priorities on what you will accomplish in the future
 - ❖ Forces you to make choices on what you will do and what you will not do
 - ❖ Pulls the entire Scheme together around a single game plan for execution
 - ❖ Broad outline on where resources will get allocated
-

The Task of the Pension Fund -(Trustees)

To achieve
the 3 Tasks
require ...

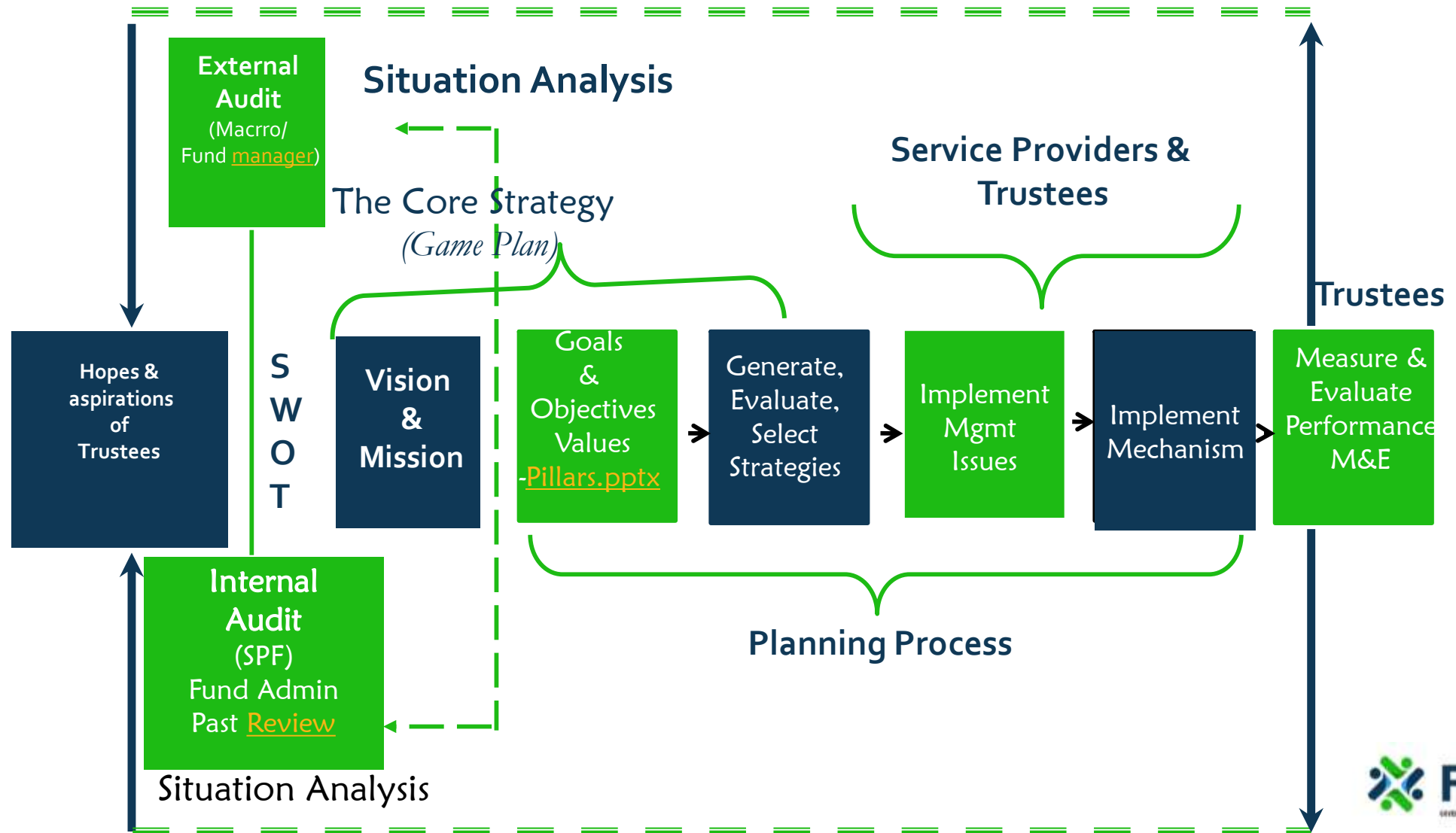
•Investing
Productively

•Administering
Efficiently and

•Advising wisely

1. Creating & sustaining unity of purpose – **Strategic Plan**
2. Aligning interests of stakeholders
3. Instituting good governance practices,
4. Maintaining sound investment beliefs
5. Effectively supervising & engaging service providers

Pension Schemes: - Adapted Strategic Planning Framework



HIERARCHY OF COMPANY STATEMENTS



Strategy Statement

Objective = end result

Specific goals that follow from the vision. Define:

- Goal itself
- Time frame
- Resources

Scope = domain

Where do you compete. Define:

- Client
- Product or service
- Location
- Your place in supply chain

Advantage = means

Your Value Proposition;

*and by what means you are going to achieve it:
cheapest, fastest, highest quality, etc.*

However:

only one or two of them – NOT all of them!

5 Elements of Strategic Thinking- Value Proposition

Arena

Vehicles for
Growth

Differentiators

Economic
Value

Staging

The Arena



Vehicles for Growth



Economic Logic



differentiators



Staging





M-Pesa

Reinventing business models in Africa

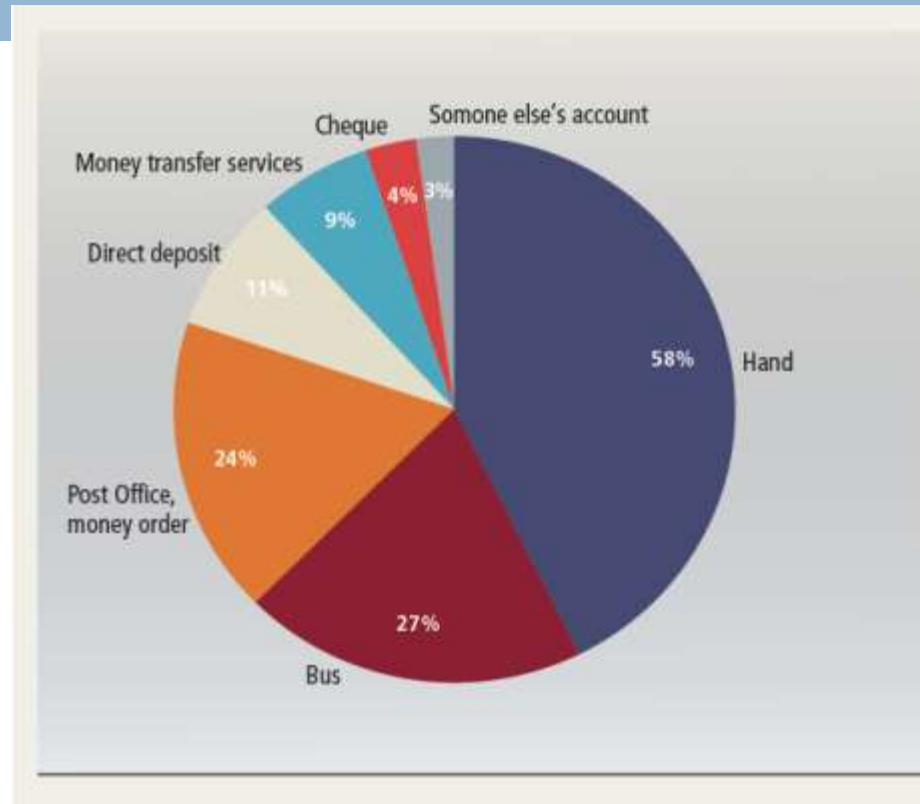
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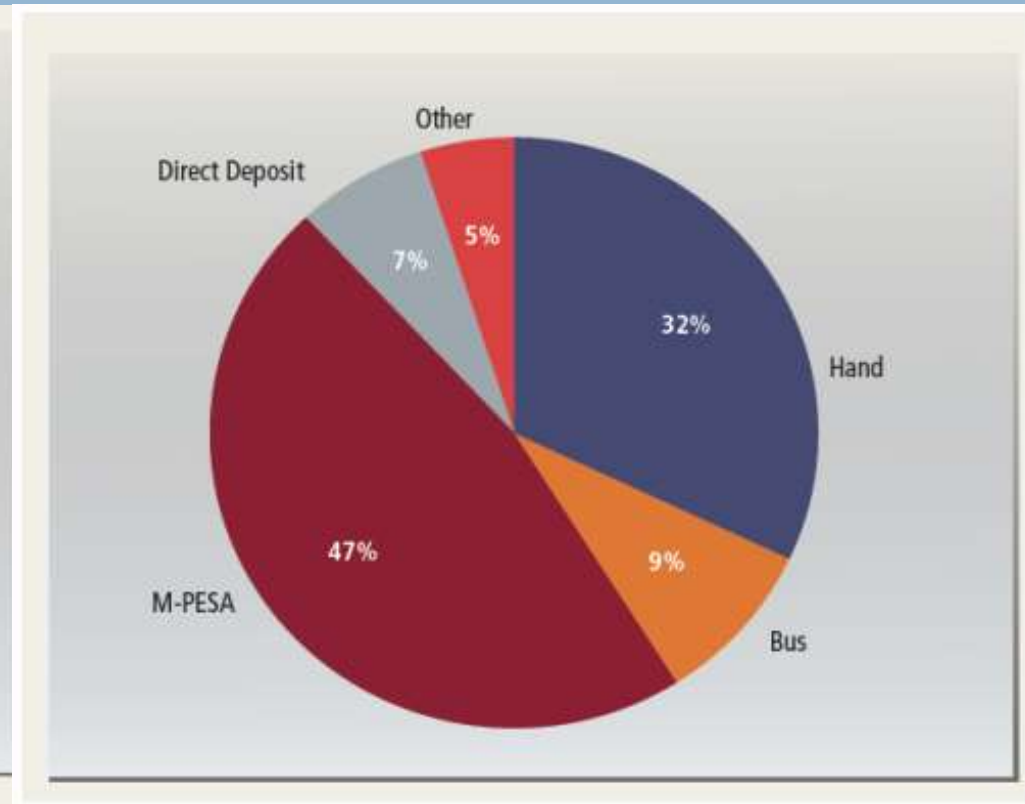
Launching commercial, 2007



Money Transfer Habits



BEFORE



AFTER

Strategy is about choices
and ***Execution*** is
about managing *change*.

Strategy & the Organization

□ Purpose

***“If you want to build a ship,
do not drum up people to gather
wood,
divide the work, and give orders.
Instead, awaken within the heart
of man
the desire for the vast and
endless sea.”***

-Antoine de Saint-Exupery

French writer, poet, aviator

Translated from the book 'Le Petit Prince'

Strategy without Bottom-line
= Grammar

Session 2

2 Risk Culture and Effective Communication

Boards and Risk governance: Emerging Issues

- Corporate governance- 21st century branding tool.
- IT Governance- Many boards least competent
- CEO appointment-The board's most important decision
- Board's role is setting the right risk appetite culture-
VaR/ PaR
- Growth questions, how do you grow conscious of risks,
not impeded by risks??
- Guidelines for what to invest in amidst risks

Boards and Risk governance: Emerging Issues

- Does your processes or structures cushion you against corporate risks
- How well does the board manage its agendas to ensure risk is spotted?
- How good is the board with business continuity plan?
- Where is the board as the source of Independent skepticism- critical voice, data driven voices

Boards and risk oversight

- Risk Management= Organizational reputational
- The board cannot and should not be involved in actual day-to-day risk management.
- Directors should instead, through their risk oversight role, satisfy themselves that:
 - The risk management policies and procedures designed and implemented by the company's senior executives are consistent with the company's strategy and risk appetite.

Boards and risk oversight

- These policies and procedures are functioning as directed
- Necessary steps are taken to foster an enterprise-wide culture that supports appropriate risk awareness, behaviors and judgments about risk.
- Ensures that risk-taking beyond the company's determined risk appetite is recognized and appropriately escalated and timely addressed.

Boards and risk oversight

- The CEO and the senior executives are fully engaged in risk management and should also be aware of the type and magnitude of the company's principal risks that underlie its risk oversight.
- Through its oversight role, the board can send a message to management and employees that comprehensive risk management is neither an impediment to the conduct of business nor a mere supplement to a firm's overall compliance program, but is instead an integral component of strategy, culture and business operations.

Boards and Risk Oversight

- The board and relevant committees should work with management to promote and actively cultivate a corporate culture and environment that understands and implements enterprise-wide risk management.
- Comprehensive risk management should not be viewed as a specialized corporate function, but instead should be treated as an integral, enterprise-wide component that affects how the company measures and rewards its success.

Boards and Risk Oversight: Recommendations

1. Review with management the company's risk appetite and risk tolerance
2. Establish a clear framework for holding the CEO accountable for building and maintaining an effective risk appetite framework and providing the board with regular, periodic reports on the company's residual risk status
3. Review with management the categories of risk the company faces; concentrations, risk interrelationships, likelihood & impacts

Boards and Risk Oversight: Recommendations

4. Review with management the assumptions and analysis underpinning the determination of the company's principal risks
5. Review the company's executive compensation structure to ensure it is appropriate in light of the company's articulated risk appetite and risk culture
6. Review the risk policies and procedures adopted by management, including procedures for reporting matters to the board and appropriate committees

Boards and Risk Oversight: Recommendations

7. Review management's implementation of its risk policies and procedures
8. Review with management the quality, type and format of risk-related information provided to directors
9. Review the steps taken by management to ensure adequate independence between risk management and business functions.

Boards and Risk Oversight: Recommendations

10. Review with management the primary elements comprising the company's risk culture, including establishing "a tone from the top" that reflects the company's core values

11. Review with management the means by which the company's risk management strategy is communicated to all appropriate groups

12. Review internal systems of formal and informal communication across divisions and control functions to encourage the prompt and coherent flow of risk-related information

Boards and Risk Oversight: Recommendations

13. Review reports from management, independent auditors, internal auditors, legal counsel, regulators, stock analysts, and outside experts as considered appropriate regarding risks the company faces and the company's risk management function

Developing Effective Communication Strategies

Pension Schemes/Fund

Pride Inn Paradise, Mombasa, Coast



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The Task of the Pension Trustees

1

Invest Productively

2

Administer Effectively

3

Advise Wisely

USE CASES IN COMMUNICATION

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Case of an Email gone wrong

- □ Was there a way to defuse the mounting tension and avoid a possible rift between the alumna and her former school?

Broken Client Trust: Privileged Information Sent to WSJ Reporter

- □ Accidental emailing resulted in broken client legal privilege, with PepsiCo allegedly firing Wilmer Hale as a result of the breach.

Noninclusive Language: Email Labelling Latino Students “Mediocre”

- The University could have done more to promote an inclusive study environment by using some software for scanning capability to detect sensitive content including keywords around ethnicity, religious beliefs, and other potentially noninclusive expressions.

Breach of Personal Data — 515 Patient's Records Exposed

- □ There are software solutions that offer a suitable alternative with a simple solution that helps to review quickly both email addresses and files attached beforehand.

(B) LEAD BY EXAMPLE

Pension Schemes/Fund



This supports the fundamental function of leading by example through standards that ensure public trust in both the fiduciaries and the institution or foundation. To ensure transparency, you must:

- **Act in the institution's best interests, putting it ahead of your personal preferences and political allegiances.** Regardless of how you were selected, as a board member you do not “represent” a particular group of constituents.

“Some board members uphold their gubernatorial or electorate responsibilities as first and foremost on their priority list. Too many stories can be told of fiduciary boards not exercising independence, which is not to say they are bad board members. It simply means the conflicts need to be managed or they need to be better oriented to their role.

Their priority should be what’s best for the

- 1. To whom are you accountable as a board member? To whom else do you feel accountable?**
- 2. What personal and professional relationships do you have that could interfere with your ability to make decisions in the best interests of the organization?**
- 3. What organizational information is appropriate for you to share with others? What must remain confidential? How do you make this distinction?**
- 4. How do your behaviors, actions, and reputation reflect on the institution on whose board you serve?**
- 5. What ethical expectations do you have of your fellow board members?**

Breach of Personal Data — 515 Patient's Records Exposed

- □ There are software solutions that offer a suitable alternative with a simple solution that helps to review quickly both email addresses and files attached beforehand.

TIPS ON BOARD COMMUNICATION

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What I understand by Board Communication

- Board communication encompasses all interactions and information sharing between the chair, board secretary, and board members, including board induction, meeting discussions, and following up on action items, both written and spoken.

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THE BIG 5 OF BOARD COMMUNICATION

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1. Define Your Objectives and Key Messages:

- What do you want the board to know and understand?
- What are the key outcomes you're aiming for?
- Craft clear, concise, and compelling messages: that reflect the project's values and goals.
- Ensure consistency across all communication channels.

2. Identify Your Communication Channels and Audiences:

- Who needs to be informed? (e.g., board members, relevant stakeholders)
- What are the most effective channels for reaching them? (e.g., email, meetings, presentations, reports)
- Tailor your messages to each audience

3. Develop a Communication Plan:

- Outline the frequency and timing of communications.
- Assign responsibilities for delivering communications.
- Establish a system for gathering feedback and addressing concerns.
- Consider using a communication matrix to track progress and ensure coverage.

4. Proactively Engage with the Board:

- Keep them informed regularly, even when there's no immediate news.
- Provide context and background information.
- Be transparent about potential challenges and risks.
- Solicit feedback and engage in open dialogue.
- Use data and metrics to demonstrate progress and results.

5. Consider the following elements in your communication strategy:

- Statement of Purpose: Clearly articulate the project's goals and objectives.
- Assessment of Current State: Provide context for the project and its current status.
- Organizational and Communication Objectives: Define what you want to achieve through communication.
- Key Messages: Identify the core information you want to convey.
- Communication Channels: Determine the best ways to reach your audience.
- Work Plan: Outline the steps you will take to implement the communication strategy.
- Success Metrics and Milestones: Establish how you will measure the success of your communication efforts.

Thank You



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