

## The New Era of Corporate Governance

### **A Return On Compliance – A Future Framework by John F. Ellingson, US National Manager of Technology, Media and Telecommunications, Business Innovation**

The spotlight on corporate compliance processes and ethical governance is shining brightly in the shadow of Enron's demise. It has made visible a vast network of decision-makers, inside and outside of Enron, who chose to ignore *probability* for personal gain. The tragic fall-out has touched an unprecedented and diverse number of people, not least of whom are Enron's own employees, shareholders and customers. Because of this, a myopic movement has begun that seeks to prevent an Enron-like crisis from happening again by adding additional layers of regulation and oversight. Such a movement might succeed in creating additional overhead and cost but will not result in no underlying improvement in business ethic or causality transparency in any organization.

In fact, there are no regulations, oversight or processes that can prevent unethical behaviour by entire networks of high-level decision-makers at the instant that the choice is being made. The new oversight architecture will only be able to identify the culprits, *after the fact*, and administer the appropriate penalty. To accomplish this, the costs in productivity, innovation and earnings to the other 60,000 *more* ethical corporations, their stakeholders and eventually all American consumers will be immense. *But, it does not have to be this way.*

Why not expect that there is a solution, neither technological nor process-driven but both, that can **deliver transparency** deep into an organization's decision making and at the same time **improve productivity, innovation and corporate intelligence**?

To accomplish this, we must accept that transparency is a two-way window to decisions, actions and behaviours at the

micro- and macro-levels. This requires a toolset and platform that is visible to individuals who requests:

- Communication
- Tutoring and Guidance
- Personal Assistance and Task Delegation
- Learning and Performance Improvement
- Resource Identification and Scheduling
- Workflow Management
- Simulation and Scenario Planning
- Negotiation
- Arbitration

But it is invisible to individuals who require:

- Behaviour Modification
- Risk Management
- Operational Control
- Information Brokering
- Process Optimization
- Security

This solution also requires the involvement of all participants in any decision-making process to contribute to the collaborative ethic. This means that the solution must operate at the individual, corporate and network level.

In the body of this document, we detail such a solution. It is both complex and simple. It is both static and dynamic. The functionality to provide this **Return on Compliance** (ROC) Solution *exists* today, although, no one has yet brought these functionality sets together into one offering before now. The ROC solution will provide increased transparency and return on investment with its dissemination throughout the organization and its use over time. As a learning tool, its benefits are *invaluable*.

### **Beyond Risk Management**

Although it is rare to see one of the world's largest and most admired public companies undergo an implosion and complete self-destruction, it is not so rare to see well managed companies experience crisis events that may shake them to their core and threaten to destroy a portion of their shareholder value. In fact, you do not have to look beyond our Atlanta community to find examples of public companies wrestling with a variety of adverse material events that have given rise to the level of a "crisis". A

casual look at media coverage reveals the following well publicized problems encountered by local global giants (independence check):

I BellSouth was recently penalized and fined for violating the Foreign Corrupt Practices Act in its lucrative South American market;

II Equifax's stock plummeted just a few years ago when it was compelled to report a severe revenue recognition problem in Europe;

III Home Depot settled an embarrassing sexual discrimination action;

IV Delta and UPS were threatened by damaging union grievances and strikes;

V HBOC was accused of material misstatements of its financial records that were not disclosed when acquirer McKesson conducted its due diligence;

VI Georgia Pacific has recently faced a precipitous drop of its stock price resulting from analyst worries that it does not have sufficient liability insurance to cover a rash of asbestos related litigation.

To add to the consternation of having to grapple with such detrimental events, senior executives and their Boards of Directors also confront the fact that their companies face both criminal and civil sanctions *and* that they may be *individually* liable and subject to criminal penalties if their companies fail to effectuate meaningful corporate compliance programs to deter illegal violations. Case law holds examples of senior executives and their Boards facing harsh penalties per the Federal Sentencing Guidelines when laws have been violated seemingly as a result of their company's failure to instill within its corporate ranks a profound understanding of the applicable laws and the employees' collective duty to comply.

So, how can we create, instill, enforce and measure this collaborative ethic towards compliance at an organization's core? The answer lies in understanding the nature of crises.

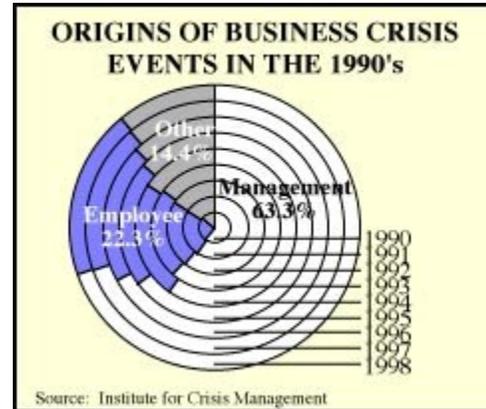


Figure 1

1. A crisis is considered "a significant business disruption that stimulates extensive news media coverage. The resulting public scrutiny will affect the organization's normal operations and also could have a political, legal, financial and governmental impact on business"<sup>i</sup>. There are four primary causes of crises: Act of God ( storms, earthquakes, etc)
2. Mechanical Problems ( ruptured pipes, metal fatigue, etc)
3. Human Errors (the wrong valve was open, miscommunication about what to do, etc.)
4. Mismanagement Decisions/ Indecisions (the problem is misperceived as not being serious; nobody will find out)

Most of the crisis events fall within the last category above (#4) and are the result of management either failing to take any action or the appropriate action when they were informed about a problem. The reality is that the issues cited within the first three categories above, which are prone to occur on occasion, are oftentimes exacerbated by poor handling and are escalated to crisis proportions.



Figure 2

Crisis events generally fall into two basic types based on the amount of *warning* time: 1) Sudden Crisis and 2) Smoldering Crisis

### What Uncertainty Looks Like

The definitions of Sudden Crises and Smoldering Crises differ among the experts. Here is our understanding:

A **Sudden Crisis** is defined as a disruption in the company's business that occurs without warning and is likely to generate news coverage and may adversely impact employees, investors, suppliers and others.

A *Sudden Crisis may be:*

1. A business-related accident resulting in significant property damage that will disrupt normal business operations;
2. The death or serious injury of management, employees, contractors, customers, visitors, etc. as the result of a business-related accident;
3. The sudden death or incapacitation of a key executive;
4. Discharge of hazardous chemicals or other materials in the environment;
5. Significant reduction in utilities or vital services needed to conduct business;
6. Unexpected job action or labor disruption, or workplace violence involving employees/family members or customers

A **Smoldering Crisis** is defined as any serious business problem not generally known within or outside the company, that may generate news coverage if and when it goes "public" and could result in more than a predetermined amount in fines, penalties, legal damage award, unbudgeted expenses or other costs. Examples of the types of

smoldering business crisis, that would prompt a call to the Crisis Management Team, would include:

1. Indications of significant legal/judicial/regulatory action against the business, or
2. Discovery of serious internal business problems that will have to be disclosed to employees, investors, customers, vendors and/or government officials.
3. Sting operation by a news organization or government agency;
4. OSHA or EPA violations which could result in fines or legal action;
5. Customer allegations of overcharging or other improper conduct;
6. Investigation by a federal, state or local government agency;
7. Action by a disgruntled employee such as serious threats or whistle blowing;

A crisis occurrence may be either sudden or smoldering depending on the amount of advance notice and the chain of events in the crisis. The stereotypes of business crises revolve around industrial accidents, oil spills and bizarre crimes like terrorist bombings or the Tylenol incident. An analysis conducted covering business crises since 1990 indicates these 'no warning' crises are the minority. The majority are smoldering crises. In other words, management knows about them before they go public. Empirical research from various sources also shows that most sudden crises generate "aftershocks" in the form of smoldering crises that occur when the government, media and internal investigations into the cause of the crisis uncover specific problems that were not known previously.

One fact is sure, "...management can't predict the future, but accurately gauging the degree of uncertainty inherent...can help them quickly adapt to it" and benefit from it. Gauging the degree of uncertainty can be derived from management's complete understanding of the probabilities of outcomes that could eventually result in crisis.

### Understanding Probability

We typically classify uncertainty by its type, management's role in the process, the tasks involved and the relationships required to achieve the required result. In "From

Variation to Chaos”, De Meyer identifies these classifications as Variation, Foreseen Uncertainty, Unforeseen Uncertainty and Chaos.

*Variation* is when costs, time and performance levels vary randomly but within a predictable range. This type of uncertainty often exists when processes are clearly defined and alternate solutions are satisfied within the predefined process map. Compliance is easier to measure and track but is dependent on constant updating. **The compliance solution must invisibly and seamlessly map processes and process changes as they occur.**

*Foreseen Uncertainty* is when a few known factors influence the outcome but in unpredictable ways. This type of uncertainty requires processes that are put in place after the event occurs but the original purpose of the operation remains. There is little or no visibility beyond the event but the resulting contingent processes can be identified. **Therefore, compliance can also be measure and tracked but the means of doing so must be flexible and fast.**

*Unforeseen Uncertainty* is when one or more of the major influencing factors cannot be predicted and therefore the event itself is not planned. This event does not preclude the manager from planning so; again, processes are put in place once it occurs. **Similar to Foreseen Uncertainty, the compliance solution must be flexible and fast.**

*Chaos* is when an unforeseen event or series of events completely invalidates the premise, planning and approach of the operation. There are no medium-range or long-range contingencies available. All processes are stopgap measures to establish another level of uncertainty. **The compliance solution must monitor and effectively measure communication.**

For each type of uncertainty, the manager’s role changes and the ROC Solution must also adapt. For *Variation*, the task features of the ROC Solution that assist managers in understanding the probability are:

**Variation**

**Planning**

- ✓ Simulate scenarios
- ✓ Place buffers/measures at strategic points in operational processes
- ✓ Identify and set operational parameters

**Execution**

- ✓ Monitor non-compliance from parameters

The relational features of the ROC Solution that assist managers in understanding probability are:

**Variation**

**Planning**

- ✓ Identify and communicate new parameters

**Execution**

- ✓ Communicate non-compliance from parameters
- ✓ Negotiate flexibility with stakeholders

For *Foreseen Uncertainty*, the task features of the ROC Solution that assist managers in understanding the probability are:

**Foreseen**

**Planning**

- ✓ Creating contingency processes
- ✓ Identifying and quantifying uncertainties

**Execution**

- ✓ Identify the uncertainties pattern
- ✓ Launch contingency processes

The relational features of the ROC Solution that assist managers in understanding probability are:

**Foreseen**

**Planning**

- ✓ Communicate the uncertainty’s pattern
- ✓ Share the risk assessment

**Execution**

- ✓ Inform and motivate stakeholders of process changes
- ✓ Facilitate change management

For *Unforeseen Uncertainties*, the task features of the ROC Solution that assist managers in understanding the probability are:

**Unforeseen**

**Planning**

- ✓ Create new process trees and tasks “on the fly”
- ✓ Plan iteratively

**Execution**

- ✓ Identify trends and influence patterns

The relational features of the ROC Solution that assist managers in understanding probability are:

<p><b>Planning</b></p> <ul style="list-style-type: none"> <li>✓ Identify, communicate and mobilize new “trusted advisors” to meet challenges</li> </ul> <p><b>Execution</b></p> <ul style="list-style-type: none"> <li>✓ Maintain flexible relationships and communications channels with all stakeholders</li> <li>✓ Negotiate mutually beneficial dependencies</li> </ul>	<p><b>Unforeseen</b></p>
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For *Chaos*, the task features of the ROC Solution that assist managers in understanding the probability are:

<p><b>Planning</b></p> <ul style="list-style-type: none"> <li>✓ Continuous Iteration</li> <li>✓ Immediate implementation of new processes and tasks</li> </ul> <p><b>Execution</b></p> <ul style="list-style-type: none"> <li>✓ Scenario Parallel testing</li> </ul>	<p><b>Chaos</b></p>
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The relational features of the ROC Solution that assist managers in understanding probability are:

<p><b>Planning</b></p> <ul style="list-style-type: none"> <li>✓ Long-term relationships with aligned interests</li> <li>✓ Shift from contracts to partnerships</li> </ul> <p><b>Execution</b></p> <ul style="list-style-type: none"> <li>✓ Communicate assessment of situation with participating stakeholders</li> <li>✓ Facilitate direct feedback from markets and technology providers</li> </ul>	<p><b>Chaos</b></p>
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Knowing the managerial uncertainty profile of any given role in an organization can lead to a functionality set that has maximum value for someone in that role (figure 3).

## Pattern Recognition

Areas of ROC Solution excellence

- ✓ Condition Monitoring & Notification
- ✓ Task Automation
- ✓ Profiling
- ✓ Trending
- ✓ Scenario Parallel Testing
- ✓ Anomaly Identification
- ✓ Benchmarking and best practices
- ✓ Knowledge acquisition and transfer

## The Improvisational Platform

The functionality sets identified through our walk-through of uncertainty and pattern identification allow us now to create a personalized platform based on four roles. The four platform views of these roles are:

1. Troubleshooter and Expeditor
2. Consolidator of Achievements
3. Orchestrator, Networker and Ambassador
4. Entrepreneur and Knowledge Manager

The technology required for each view is at various stages of readiness and will continue to evolve independently. The technology required to “glue” all of this functionality together exists today in an XML format and, preferably, in RDF. Technology companies entering into the Web Services foray will be looking to build-out functionality, to help them reposition in a mission critical strategic light, with their clients thereby escaping the increasingly commoditized systems integration space. Few will succeed.

To differentiate, ROC Solution will have to identify/develop a platform that:

1. Can be *personalized* by who, what, where and when;
2. Can “Plug and Play” standalone and functionality subsets of “**Best of Breed**” products;
3. Allows end-users uninterrupted *use of existing processes* and tasks;
4. Provides for an immense *collection of data* from unlimited access points;
5. Provides a cross-application/system integrated solution leveraging **XML**;
6. Establishes causality *audit trail* for decisions, tasks, actions, inactions throughout the enterprise;
7. Allows access inside and outside the organization for “**Trusted Advisors**” to participate at various points in the process tree.

A dynamic system platform for enabling enterprises/companies to rapidly deploy their business initiatives and effectively execute complex commercial transactions must be identified. This platform will lend

**Example: F500 Pharmaceutical**

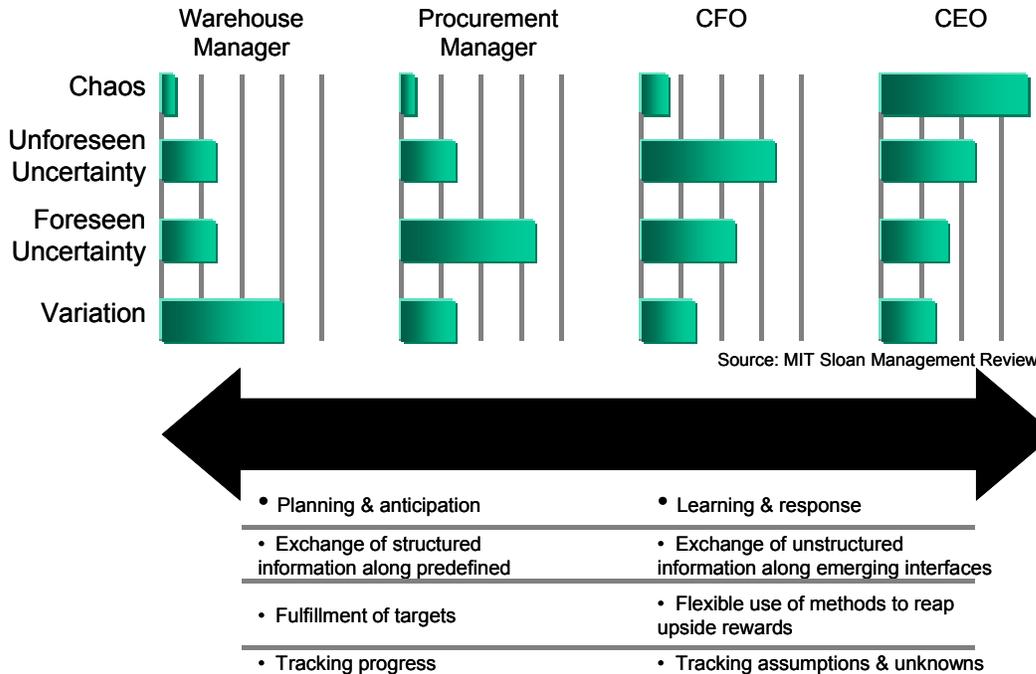


Figure 3

itself to the development of a powerful risk and crisis prevention/management applications as the platform excels in binding people, data, and events on the run regardless of what disparate systems or processes are being used across the enterprises. In essence, crisis prevention and management is nothing more than a severe complex transaction in which the same tools for success are speed, focus, and accuracy. The development team will need deep process/technology skill sets to jointly design a reliable application and management tool to proactively seek out smoldering crises and minimize their consequences.

**The Extremes of Process Management**

We see that a natural result of the total dissemination of this solution throughout an organization is the ability to take the Six Sigma concept beyond *Variation* type uncertainty. The results of this will be examined in another document once they have been quantified and analyzed fully. But the expectations are extremely high.

**Managing Uncertainty**

*How could the ROC Solution have affected the outcome of Enron?* Once again, if unethical behaviour proliferates throughout the entire network of an organization's compliance structure, the ROC Solution will not work. This, however, is not the case in most corporations. So, here is an overview of the checks and balances:

**DETECTION:** The Enron Board did not see the underlying activity involving the proliferation of tricky partnerships designed to hide the company's staggering risk and debt from investors. The enLeague application is designed to look at irregular corporate trends and patterns of activity and bring them to the surface so that the senior management and the Board can raise the necessary questions. As corporate e-mails are the domain of the company, they will be automatically screened to discern specific pattern recognition and any troublesome linkages that would trigger informed inquiries. Questionable practices such as hiring and placing within a company an inordinate number of outside auditing employees would be disclosed as well. The system matches actual corporate activities with the company's corporate compliance program to determine if the company is

following its own policies and guidelines. Email, an HR practice and integrating corporate policies do not represent a complete solution. What about links to financial systems for monitoring of unusual transactions or the overall absence of transactions that previously occurred?

The ROC Solution will have the ability to collect information from desktop/laptop/PDA/terminal usage (all applications), telephone conversations, meeting dictation, researching tools to associate tasks/actions/behaviour with time/process/project data. It will make that association through verb-object semantic search and a client specific processes/ontologies. This means that 4 years ago at Enron, the phrases Braveheart, company start-up, partnership, risk/opportunity analysis and liability transfer would all start as separate projects with dependent tasks. Over time, the ROC Solution would associate all of them together and map the participants, their actions, their behaviours and, within the processes, their awareness of information, risks, and outcomes. No additional steps, processes or time is required other than how anyone would normally go about carrying out these objectives today. ROC just sits behind the activities gathering, connecting and learning. Even if not one process was pre-mapped into the solution, it could eventually learn an entire organization on its own.

**EARLY WARNING MESSAGING:** Electronic Messages to senior management and Board committees will be prompted when serious irregularities are developed and have not been reconciled. Shouldn't they also notify how an irregularity was resolved and how it occurred in the first place?

The value of the solution will be the implementer's ability to jumpstart its maps and pattern recognition. In some instances, there will be a great deal of information available that could be used to "trigger" someone's attention and need to investigate further. For instance, a warning may be made because the keywords discrimination, promotion, minority and aware come up in a significant volume of emails within a

department. This bears further investigation. The person looking into the matter may, however, find out that diversity awareness training was occurring at that time.

**TEAM MANAGEMENT AND CHECKS AND BALANCE PROCESS:** One of the most essential components of crisis prevention/management is to ensure that the company's trusted advisors, e.g. law and consulting firms, are brought into the picture in the early stages and have a secure means to promptly receive, manage and protect sensitive data and provide instant feedback. The system application has a design feature to permit the company's communications to be guided by the company's legal counsel to protect the sanctity of attorney/client and privileged correspondence.

The ROC Solution can identify compliance and non-compliance with process as well as "box-in" out-of-process decisions and activities. This is done by mapping nodal points in any situation such as decision, chance, inference, action, reflect, gather, etc. Its intelligence can build buffers automatically as checkpoints for outside review and measurement if, it identifies negative trends or previously unidentified risks related to outcome. The buffer may appear as a guide in the process or as a workflow push to authorization levels affected by or who have risk responsibility.

**DYNAMIC BALANCED SCORECARD:** To ensure that the proper priorities are given to efficiently manage the process, a dynamic Balanced Scorecard has been established. At all times, the company's crisis prevention/management team is aware of the group objectives and have the ability to monitor and measure its own performance in satisfactorily resolving issues.

The ROC Solution can identify individual performance by type of task. It will allow a manager facing any situation the ability to identify the best team. It may also identify opportunities to activate behaviour modification tools when the change is needed not in post-mortem.

**AUDIT TRAIL:** To ensure transparency, an audit trail will be developed that accounts for the critical stages of risk remediation throughout the process of attacking a smoldering crisis. The Audit Trail can speak to the good faith efforts of senior management and its Board as well as the efforts they make to exercise sound judgment while carrying out their fiduciary obligations. Clearly, transparency equals an audit trail of unparalleled quality. The ROC Solution adds awareness beyond the paper trail.

**MODELING:** The application has step-by-step techniques such as preset emergency reaction maps, that have had tried and true results when used by other companies for successfully tackling similar occurrences. A company faced with a recurring crisis situation can even have their prior approach mapped against the current event to present a successful model, that they can follow again.

The ROC Solution does not only deliver best practice from a template. It allows the organization to learn from its own successes and evolve their best practices and processes for success.

## **When Compliance Becomes Strategic**

Corporate demands for integration of business-critical systems are spawning a new global market for enterprise interoperability software (EIO), which will be worth **\$28.6 billion** by 2005.

According to Kinetic Information research, this market comes from the growing "functional overlap" of workflow, business process management, and middleware/Web services, with the goal of allowing work to "flow freely from application to application and from person to person, regardless of host, location, or department."

Kinetic notes that companies are increasingly cost-conscious in the face of a weakening economy and the events of September 11. "After three-plus years of engaging in independent ERP, CRM, and other enterprise initiatives," the company

writes, "even the most cautious customers realize that the only way to get maximum total value from the investments they've made is to unify the individual pieces." Kinetic expects EIO technology to quickly become a commodity<sup>iii</sup>.

"The fact that 'everyone' will want it, and 'everyone' will sell it will put enormous pressure on profit margins," said Kinetic Information president Steve Weissman. "This will require vendors to develop creative pricing models *and to offer best-practice capabilities*, either directly or through partners, to round out their product lines." In the end, Kinetic expects the number of players and the functional similarity of their offerings to cause a "large-scale shakeout" in the next two years.

The ROC Solution's point of differentiation will be a true integration of People, Process and Technology. Although middleware software companies are attempting to add similar functionality sets to their technology solutions, it is difficult to rise from a provider of infrastructure to strategic decision-making solutions. It makes much more sense for the market to allow "trusted advisors" to drop into the task of creating organizational transparency. This is no different than the move the Big 5 made into the ERP implementation markets.

## **New Approaches to IT Investment**

Real Options is a systematic and integrated decision analysis process that centers on real (non-financial) assets. Make a capital investment today and create an opportunity in the future. Real options enable the corporation to benefit from the upside potential of an opportunity while controlling the downside risk. It's "real" because you're investing in operating capital instead of financial. It's an "option" because you're investing in the right, but not the obligation, to invest.

Much like the Enron investment strategy they pioneered, an ROC Solution investment must be structured to pay-off if the full benefits identified in this document happen. If the investment results in no gained

efficiencies or transparency then the loss is limited to the cost of the solution.

The ROC Solution must be delivered to the market as a premium substitute for the existing set of corporate compliance tools and services. It must be rendered as an integral part of the audit service. Once the platform is in place and integrated to the back-end systems, it can be leveraged to provide a myriad of services on an as-needed basis.

- We don't create CRM software...we make it better
- We don't create ERP software...we make it better
- We don't create Call Centers...we make them more responsive

## In Conclusion

To prevent the type of calamity that befell Enron, companies' senior executives and Boards need to be especially vigilant and not merely rely on what they consider prudent best practice and corporate compliance policies. There needs to be an effective process for ensuring checks and balances and providing that smoldering crisis situations are disclosed and handled rapidly and expertly. A company's trusted advisors are to be immediately consulted under such circumstances as well as when an Enron type conflict of interest arises. In this document we have attempted to offer a solution that enables companies to expeditiously marshal their management team and trusted advisors and enable them to harness technology as a vehicle for driving successful risk management and crisis prevention.

Clients have long awaited the arrival of products/services that will leverage their existing technology investments and increase usability, adoption rates and, therefore, completeness of information. The Go-To-Market approach will be constructed on delivery at two levels. First, the message will capture the Executive Management's interest by demonstrating the platform's ability to assist them in reacting to an **exception management** task (Product

Recall, Natural Disaster, Precipitous Stock Drop, Hostile Take-Over) and provide guidance, communication, task delegation, performance tracking, data collection, analysis, trending, simulation and prevention management tools.

Second, the ROI analysis will clearly demonstrate its ultimate value in a **fully distributed and disseminated role throughout the management layer**. Additionally, it will calculate how its use will optimize the ability of existing systems (CRM, ERP, SCM, etc.) to meet their originally stated expectations and goals. Other areas of enhanced functionality that could be of interest are:

- a) Desk-Top Security, Breach Trend Identification
- b) Remote Third-Party Audit
- c) Non-Enterprise/Enterprise Process Integration
- d) CRM Optimization
- e) ERP Optimization
- f) SCM Optimization
- g) Complex Transaction Management
- h) Training/Automation Productivity Impacts
- i) Objective HR Performance Measurement Analysis – Balanced Scorecard
- j) Privacy Management

The reasons to lead the development of a concept like this must also be tempered by its possible byproducts. Examples of these are:

The ROC Solution will cause privacy advocates to raise significant issues about any employees right to privacy on the job. The position this document has to take is that corporate compliance must take precedence over individual privacy concerns. Although it would be possible for any individual to opt-out a telephone conversation or water cooler discussion, significant amounts of an individual's on-the-job time dedicated to opt-out activities should also bear investigation. **There is no privacy on company time.**

Once transparency is accomplished at even the minimal financial levels by tying transactions, processes, tasks, timing, information, behaviour and individuals together, the opportunity to provide real-time random virtual audits presents itself. By randomly monitoring online activities and measuring against parallel tested environments, anomalies can be identified and investigated. This not preclude the need for an auditor to provide onsite services but it should make that process more efficient and effective. **Billable hours are replaced by subscription services that can be supplemented instantaneously and, in some cases, unknowingly.**

The ability to monitor online financial transactions and parallel test against a virtually compliant company's map leads us down the path of real-time reporting taxation. The inefficiencies of the existing reporting mechanisms and tax collecting services are made irrelevant. Instant communication renders immediate determination of rules and regulations. The need for experts to be inextricably linked (chained) to the companies they support on a 24 x 7 x 365 basis is imperative. **Annual reports become daily reports and flat tax concepts become reality.**

So, why be the first to develop such systems? Look at it as the Operating System for Compliance. Many will use it but there will be only ONE standard...

Carefully consider the benefits of being the firm to submit any solution for Corporate Compliance when public confidence in everyone involved is deteriorating with every announcement of financial restatement. Does the entire solution need to be ready for immediate deployment? No. Does the world need to hear that someone is stepping up efforts to develop that solution? Absolutely...

Additional questions to be asked:

- Who owns the ontologies?
- Who owns the behaviour patterns?
- Who owns the evolved best practices?

- Who owns the database?
- What parts of the platform must be licensed out to avoid anti-trust issues?
- What back-doors must be in place for government access?
- What are the risks and exposures for the developer of the solution?

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<sup>i</sup> ICM

<sup>ii</sup> "From Variation to Chaos", by Arnoud De Meyer, Christoph H. Loch, and Michael T. Pich, MIT Sloan Management Review, Winter 2002, pp. 60 - 67

<sup>iii</sup> *ibid.*