

Training and Risk Management Newsletter



Harvey B. Lermack & Associates

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- Use a simple risk management model to improve your training. P. 1
- Provide leadership training to your first- and mid-level managers to help attain company objectives. P. 1
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In the next issue

- Improving the business perspective of your first- and mid-level leaders.
- A new book about creative risk management alternatives for the 21st century.

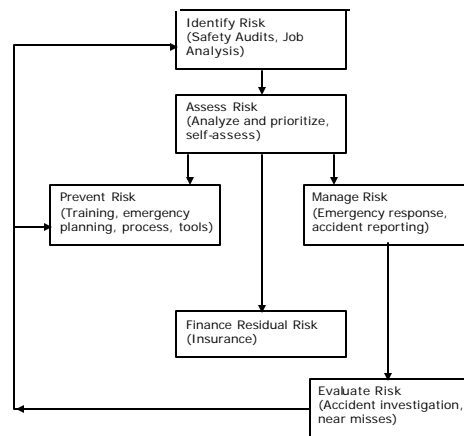
Explain to your employees how they can manage risk with ... The Risk Management Model

A key objective of most enterprise-wide risk management culture change and training initiatives is to develop operational processes that encourage *risk-adjusted* decision making.

But for most operational employees, this is a foreign concept. They are not aware of the basic processes of identifying and assessing risk on an ongoing basis, and modifying decisions to take into account the positive or negative potential impacts of risk.

We base much of our risk

management seminar content on the concept of the Risk



Management Model that is depicted here—a framework

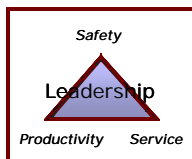
or perspective into which individual decisions may be placed to balance and optimize the productivity, quality and service, and risk management and safety outcomes.

While this may seem like a basic concept to risk management professionals, it is a revolutionary concept to many of the people on whom our organizations depend to make the appropriate risk-adjusted operational decisions. Consider using it in your leadership training, and you may be surprised with the results.

Focus on the People Who Are Most Responsible for Your Success by...

Training Your First Line Supervisors and Managers

In the last issue, we mentioned the importance of providing leadership training to first line supervisors and managers—the strategy implementation leaders of every organization. These are the people whose decisions on a daily basis are most responsible for your overall success in the areas of risk management and safety, productivity, and quality and service.



But in many cases, we expect these people to make decisions and lead our employees without the information and

skills required to do so. One example is the risk management model discussed in the above article.

We have found that, in order to be successful, first- and mid-level leaders must have information in the following areas. Our leadership program initiatives therefore focus on them.

- Perspective setting—understanding the business environment within which the company operates, the company mission and objectives, and the industry characteristics
- Leadership Skills—including communications and interpersonal skills, man-

aging change, team leadership, planning and organization, and decision-making

- Knowledge – about the risk management model, environmental health and safety issues, customer service requirements, and productivity and financial requirements

In the next issue, I'll discuss how you can improve the business perspective of your operational leaders.

Also, see my article to be published in the June issue of Risk Management Magazine. Call me, or send an email, and I will be happy to send you a copy.

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For more information, or for copies of recent publications or handouts which describe our products, services and projects in more detail, send me an electronic mail message. Include your electronic and business address, and phone number.

Harvey B. Lermack & Associates is a professional education, training and consulting firm. Our mission is:

- *To help organizations improve risk management, environmental, health and safety performance through innovative training and education programs. The key result—your employees know how to identify, assess, and manage the risks at their workplace, reducing incidents and costs and improving productivity.*
- *To help organizations develop leaders at every level by delivering effective professional development training. The key result—leaders who bring a strategic focus to their daily and long-term activities.*
- *To ensure the success of these and other training and development efforts by utilizing innovative performance management techniques, working with individuals and small groups to ensure changed behaviors. The key results—safer operations, better performance, and reduced costs.*

My associates and I bring extensive industrial, academic, training and consulting experience to this unique mission.

Philadelphia University Trip to Eastern Europe

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Training and Consulting Services

Risk Management Training
Behavioral Safety
Environmental, Health & Safety Programs
Strategic Planning and Management Skills
Leadership Skills for the 21st Century
Managing Change
Performance Management
Effective Networking & Alliances
Cultivating Influence
Coaching and Counseling Skills
Facilitation Skills for Teams and Meetings
Developing & Delivering Effective Training Programs
Balancing Work, Family and Career, and Time Management
Personal Skills Development

As I have reported in previous editions, each year the Philadelphia University MBA International Business students travel to either Asia or Europe, to witness the business environment in other countries. In previous issues, I have discussed our visits to London, Brussels and Belgium to meet with companies and governmental organizations, and to learn about and monitor the development of the European Union.

This year, a group of students and professors visited Warsaw, Poland and Prague, Czech Republic, to learn about the progress of those countries in transitioning from communist to capitalist economies, as well as to witness their preparations to join the European Union. We visited several companies from different industries, and spoke with executives to understand their strategies to attain these objectives.

In Warsaw, we were warmly received by ERA Mobile Communications, JACentra Energy, the United States Commercial Service, and Deutsche Bank. We learned about some of the difficulties that Poland is having in making the transition to a capitalist economy. One key indicator is an almost 20% unemployment rate throughout the country. We learned that due to the lack of infrastructure,

cellular telephones have made a significant inroad into Poland, and a larger percentage of households have cell phones rather than land lines. However, the typical user logs only about 2 hours of phone time a month, reflecting high cost and low incomes.

The picture isn't changing rapidly, as the government is still having trouble adapting to the capitalist model. One American company that made a significant investment in new facilities was then refused permission to produce due to some political shenanigans, and had to withdraw production and write off their entire investment as a result.

During this phase of the trip, we learned quite a bit about the Polish people through our daily contacts, as well as through visits to the Auschwitz concentration camps. We learned that the country was completely rebuilt after it was entirely demolished by Adolf Hitler's forces (not just Warsaw). We experienced the lack of infrastructure through an overnight trip on the relatively dilapidated Polish railroad system, where we spent 14 hours on what should have been a 5 hour trip, and were awakened in the middle of the night by border guards that must have received their customer service training under previous regimes (i.e. they received none.)

Prague, on the other hand, has embraced and taken advantage of the new capitalist opportunities. As one of the few medieval cities that emerged from World War II unscathed by the Nazis, the city had a jump start with its thriving tourism-based economy. Everywhere we went, McDonalds and Pizza Huts vie for attention with thirteenth century architectural treasures. The Czechs appear well on their way to fulfilling their economic progress.

In Prague, we were welcomed by Hewlett Packard, where we learned quite a bit about their thirst for technology. We visited Johnson and Johnson, where we learned about the socialist-driven health care systems in Eastern Europe, their drain on resources, the "entitlement" attitude of the residents, and the economic need for change before their entry into the European Union.

Perhaps most interesting, we toured a glass factory, where the safety practices and regulations for crystal manufacture are obviously decades behind ours in the United States.

It will be interesting to see how easily the two countries are assimilated into the European Union—both economically, and politically, as their pro-American stance on the Iraqi war was quite different from that of "old" Europe.