

RISK MANAGEMENT CONSULTANCY

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Case study:

Labor dispute crisis

The Challenge

A large industrial multinational company finds itself in a major labor dispute in Asia one day before Christmas' eve. The immediate situation is that the Chairman and his GM (who has been physically assaulted by the local staff) are holed-up in hotels, the production facilities are controlled by unsatisfied local workers, the authorities feel that this is strictly a labor dispute between workers and a "big foreign company" and that, thus, their active presence is not really required. The location is a very large city and its surrounding area.

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A team of negotiators is on the ground within 24 hours and makes contact with the workers' representatives as well as the authorities to assess the situation. An action plan is presented to the client forthwith, accepted and put into action. The objectives are to bring the client and its workers to a negotiation table while regaining physical control of the offices and production facilities together with a more visible presence of the authorities while avoiding negative Media coverage. This is achieved within one week. AGR officers' presence is maintained for a few months after this to ensure that nothing of the sort happens again and local security companies are contracted to ensure the physical integrity of the client's premises. During the talks with the workers, one interesting nugget of information is unearthed: most of the problems came from a badly prepared lay-off program, brainchild of a local HR Director who had been hired by the client.....against AGR's recommendation pursuant to a background screening performed close to a year earlier.

The impact

A minimum financial lost, all things considered, a PR nightmare avoided, workers re.assured that they would be treated fairly in the future and the senior management's awareness as to how best deal with local workers properly heightened.

What the client valued

First and foremost, the reaction time sending people on site which, in this case and considering the time of the year, was exceptionally efficient. Also, the diligence with which contact was established with the aggrieved workers and the local authorities while reassuring the foreign senior management of the company in-country. Finally, our negotiation capabilities which allowed for the company's activities to quickly resume. Last but not least, the client acknowledged the mistake made in hiring an incompetent HR staff against our written advice which increased our credibility where the client was concerned.



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Case study:

Corporate Extortion Attempt

The Challenge

A multinational retail business receives credible threats from an unknown source requesting one of their Country Director to pay-up a large amount in local currency to avoid having poisoned consumer goods put on their shelves. At the time, the client finds matters further complicated by the non-responsiveness of the local police force and then decides to hire our services especially so since its corporate and insurance policy forbids him from being directly involved in such negotiations.

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The first step is to take the next call of the extortionist in order to let him know that negotiations are possible but that the person in charge is one of our senior executives posing as a client's employee. The second simultaneous step is to approach senior members of the Police force in order to convince them that such a case will look bad in the international business community and, possibly the Press, if the authorities are seen to do nothing. Within 48 hours and through our intervention, a total of 50 Police officers, including communication monitoring specialists, are deployed at the client's premises and on the ground to support AGR negotiation officer in order to work towards an arrest which happened 2 weeks later.

The impact

The client saved money not only by not paying the extortionist but by avoiding a media reported incident about the quality of the goods sold in its stores. The authorities were satisfied with the discreet outcome.

What the client valued

The fact that we reacted immediately and got things moving quickly including with the authorities. The client was impressed by the professionalism and patience brought by AGR to the negotiation which, while allowing for the Police to get closer to the extortionist at every call, divided the amount initially requested by 10... even though it was never paid. After the arrest of the extortionist it was discovered that the same Individual had committed the same crime one year before and that the victimized corporation had tried, unsuccessfully, to deal with the issue internally.



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Case study:

Ethics and good governance

The Challenge

A Fortune 500 company wants to verify whether some of its vendors in an Asian country have any connection whatsoever with some of its key employees in the said country. Absolute discretion is of the essence since some of the vendors are para-public concerns.

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First of all, a complete check is done on each company as to who their shareholders, directors and key employees are. Also checked are their relationship with the client and, possibly, some of the client's competitors. Also, the pattern of purchases by the companies from the client are verified as well as who are the individuals involved within the client's organization and who is dealing with said vendors. Then some checks are done on the client's employees (and their immediate families) as to their previous employment history, whether they have direct or indirect involvement in corporations (shareholders, directors, consultants) and whether said corporations, if any, are involved in a business related to this of our client. Last but not least, a discreet "lifestyle check" is conducted on said employees. Finally, a cross-check is conducted between the names of the vendors's key employees against the client's employees so as to attempt to identify any family relationship. While tedious, this process allowed for AGR to identify a few cases of unethical behaviour in definite contravention with the strict rules of compliance enforced by our client. Corrective measures were taken.

The impact

A few individuals were indeed connected to some of the vendors. Some without any proof of improper dealings who got off with warnings and reminders about the company's Code of Ethics and Good Governance practices, some with clearly proven corrupt and collusive acts which brought about their dismissal for cause.

What the client valued

While the investigation was long due to the sheer number of individuals to check against a number of companies spread over the whole country, the client appreciated the fact that we kept him apprised of our progress on a strictly regular basis, exchanged questions and ideas with him throughout the duration of the assignment so as to verify certain finer issues and, very importantly, avoided to read misdeeds when there were none and thus saving a lot of time reaching the correct conclusions. Furthermore, at no time either the companies or the individuals investigated were made aware of this situation thus guaranteeing peace of mind to our client who could have faced union reactions and such.

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Case study:
political analysis and advice

The Challenge

The client has existing sizable investments in the country which has a history of instability and plans further investments. The CEO wants a direct briefing about the potential risks connected to the changes within the new government and the possible short/medium/long term impacts on their business, the security of their staff and other key factors.

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Our own senior manager's exceptional understanding of the country stemming from his connections within the governmental apparatus but also because of his closeness to this country for the past 20 years in various capacities, allowed him to give a clear and practical insight as to what could be expected not only in the capital city but also in other strategic parts of the country as well as in regards to the relationship with neighbouring countries for the foreseeable future. The client's CEO was sufficiently impressed that follow-up analysis were requested from AGR.

The impact

The company has restructured some strategic partnerships based on the advice given by AGR and is now enjoying a fruitful period of growth.

What the client valued

The fact that our country specialist was perfectly knowledgeable about both economic and political aspects of the country's life as well as to give a very personal insight into the mind of some key governmental and private sector players thus allowing the client to broaden his reflection about his company's future in the country.



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