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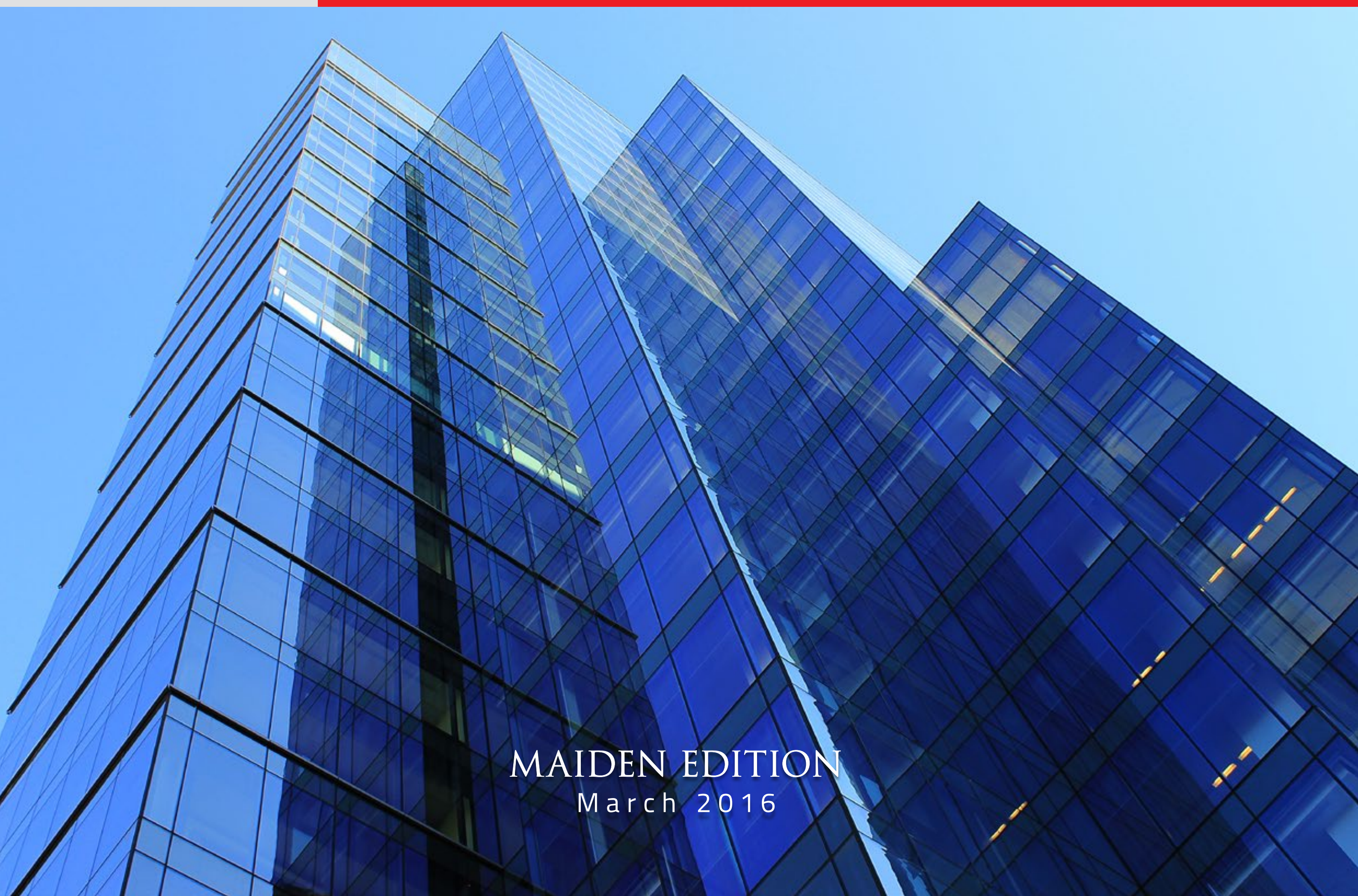
scib DIGEST



MAIDEN EDITION
March 2016

Contents

Preface

We would like to present with great pleasure, the inaugural volume of a professional technical bulleting, Scib Digest. This digest is part of a series of scholarly materials devoted to the exposure of risk management in general, the exposure of new and emerging risks, and the creation of innovative ways of mitigating these risks.
The content of the digest will be all encompassing and will highlight global, regional and national issues. It will address emerging issues in Insurance and Risk Management which will keep all staff abreast of happenings in the sector and put us a step ahead of our competitors. Equipping ourselves with these issues will also enable Scib provide effective risk solutions to ensure our clients' are not adversely affected.

The vision was borne out of the need to constantly serve our clients professionally; and one sure way to ensure we achieve this is to regularly expand our knowledge base and remain relevant with local and global happenings within the insurance sector and other areas where our clients operates. This concept will also relay our technical know-how to our clients and put us out as *"subject matter"* experts especially on insurance and risk management related issues.
The articles for this first edition are anchored on the theme *"re-thinking risk management"*. This theme is borne out of the need to find new ways of reducing the impact of emerging risks on the economy, the society and the environment. We will be running a series on the *"Cyber Risk"* threat to the financial services industry in Nigeria, as a result of advances in technology. Whilst the solutions provided by the advancement are desired, however, these solutions bring with it new dimensions of risk exposures that require a multi-dimensional approach to managing it.
On the technical issues, we will continue with articles highlighting the responsibilities shared by management and staff of organizations in managing Motor vehicle risks such as liabilities to persons and properties, risks associated with number plates and loss of productivity as a consequence of motor vehicle accidents. This also includes your immediate considerations on acquiring a new vehicle.

The major focus of the theme of this edition is not in the models and the activities involved in managing risks, but more importantly the *"thinking"* behind the concept. The article on *"Re-thinking risk management: why the mind-set matters more than the model"* emphasized the need for a paradigm shift in thought and approach to risk management to be able to understand the uncertainties surrounding the dimensions of the new emerging risks. This article looks at the global impact of changing risk exposures and emphasized the need to have the discussion on risk management on a strategic level; more importantly you will find the thinking behind making *"turning risk managers to strategists and strategists to risk managers"* an interesting read.
On personal development, the articles on *"What are you worth"*, *"Personal finance entrepreneurship"* and *"Striving to be the best you can"* will make reading Scib Digest a more rewarding time spent.
We are very appreciative of all those who have contributed in one way or another to make this first edition a reality, and are certain that this first edition will be followed by many others reviewing the risk landscape and proposing new solutions.

It is our hope that this collection of articles will be a valuable resource for readers of Scib Digest and would stimulate further research into the changing concepts of risks and new ways of managing it. Our belief is that *"A mind once stretched by new thinking, cannot remain the same again"*

Abodunrin Roberts
February 2016

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RE-THINKING RISK MANAGEMENT

Why the Mind-set matters more than the model

By Peter Offiong

Forecasting used to be straightforward. Over the years, by the end of the first quarter, managers usually had a fairly reliable sense of how the business was shaping up and whether targets would be met, missed or exceeded. Confidence in quarterly and annual predictions was so high that coming in above or below by even the smallest amount was considered a surprise and set off moves in stock prices. Recently things have changed in the country. Companies like are declining to make public their predictions of performance over the months ahead. In other words, all bets are off.

The problem is not that these firms are reluctant to provide a gloomy outlook. Instead, the companies are not sure which way the markets will go; it seems the Nigerian economy is so shaky that executives have little confidence in their projections. This means that more and more managers are growing unwilling, at least temporarily, to make judgments about the future and then to act on those beliefs. The danger is that these businesses may become paralyzed and by extension, the economy as well. The fundamental issue, of course, is understanding and managing risk. Any time a merger is considered, a new product concept funded or an investment made, success is never guaranteed. Over the years, business has become increasingly sophisticated in developing tools that can help in this analysis, especially in financial matters. Complex mathematical models were created to analyse potential outcomes and probabilities, based on past performance. Yet, as has been widely reported in the media, many of these same models failed spectacularly to predict or prepare companies for the current times. Declining crude oil price, exchange rate volatility, rising inflation, cash crunch, etc.

At the same time, experts argue that too much blame is being placed on the risk management model and other tools of the trade, in banking and beyond. The models are not necessarily broken, but instead are only as good as the decisions that get made based on them, they say. As a result, the current crisis may represent an opportunity for companies to re-visit and re-think historical approaches to risk management. When it comes to planning for the future, the new thinking goes, it is not just the model that matters, it is the mind-set.

We have learnt a lot recently about the limitations of models. We have also seen that the governance of risk is not as good as it ought to be. Top managers in many companies need to understand what can happen when the assumptions that drive a model change, and then subsequently communicate these scenarios to their boards.

Re-defining Risk

The first step is to get a fuller picture of risk. Most recent coverage of the global economic crisis and its origins, particularly from a risk perspective, has focused on the financial industry; the problems with identifying and measuring the risk in this sector kicked off the chain of events that brought the global economy to a near standstill. Some banks were dramatically more exposed to risks than they thought they were. Most others simply did not know; they could not assess with any confidence the value of their own or others' financial assets.

It is important to note the key points about risk from a manager's perspective. Traders, economists and academics think about risk very differently from business managers. For the former, the key issue in risk is variance — the expected spread of possible outcomes. But that is not how managers think about it. For them, the biggest issue in risk is the potential for loss. As a result, they ask, *"What is the downside?"* If the risk is too high — or even unknown — companies typically pull back.

The second point is that risk management has no silver bullet. As a result, many companies need to develop a more integrated view of risk. We have seen a tendency to separate risks into rigid silos — operational risk, market risk, credit risk and so on. But in reality, major shocks and problems do not come that way. For instance, in the financial world, you would see trading desks staffed with people who were experts in market risk, but they were trading instruments that were laden with credit risk. The skills you need to think about each of those kinds of risk are very distinctive, and unless you have an integrated view of risk, you could encounter major problems. Nevertheless, risk taking remains what managing is all about, and not just in financial services but in every industry. Indeed, from an economic perspective, all firms fundamentally are in the business of taking risks based on their core capabilities. The catch is that managers are always attempting to win more than they lose in the face of uncertainty about which are the good risks and which are the bad.

Constructing a New 'Risk Architecture'

Given recent events, it is obvious that new risk architecture for organizations is emerging. Whatever industry you consider, it is always the same pattern. Things are getting faster, and therefore decisions needs to be faster but based on information that we often do not have. Of course, we would like to have time to get all the information, but the reality is that managers have to make decisions under uncertainty, if not outright ignorance.

To overcome the problem, some companies are moving beyond traditional risk management practices, which have largely been internally focused. Call it "Risk Management 101 — essentially, looking at a company's existing position or investments and analysing what could go wrong. However, organizations need

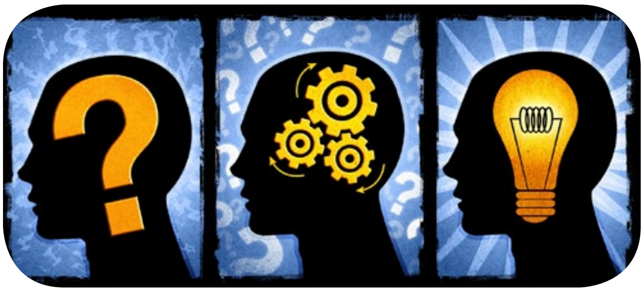
to look beyond the boundaries of the firm and consider what is happening elsewhere. In recent years, businesses around the globe have become increasingly interdependent, which brings great benefits in both efficiency and innovation but also increases companies' exposure to risks — in many cases, risks that they do not even know about.

We were trained to solve problems with clear questions and clear scientific knowledge. Knowing the historic risk profile, we made decisions. But historic data does not shape the future anymore, given how rapidly the world is changing. We usually look at the known issues and make a nice diagram with probability on one axis and impact on the other. That is Risk Management 101. Risk Management 201 is going beyond the known issues to look at the links and interdependencies. You can no longer look at the risks independently of each other.
The key is to have knowledgeable people in the organization who are looking broadly and

challenging assumptions about the future. Form a team of people and mandate that they come back with two or three major links that the company has not yet thought about. Not 25 links — three links that they believe are important but not fully visible. And then bring some data about that to prove to you that it is something the company has to think about.

In addition, new techniques and technologies are now coming into the picture. Consulting firms also are stepping up efforts to provide companies with a more holistic, multidimensional view of their risks. Even the definition of *"business intelligence"* is expanding from a focus on operating performance to increasingly include monitoring risks, both inside and outside the organization. Top managers are convinced of the necessity to use enterprise risk management.

Making Better Decisions



In the last pages of the 1996 bestseller on risk, Against the Gods, Peter Bernstein anticipated the challenge many companies are facing today. *"Nothing is more soothing or more persuasive than the computer screen, with its imposing arrays of numbers, glowing colours and elegantly structured graphs,"* he wrote. *"As we stare at the passing show, we become so absorbed we tend to forget that the computer only answers questions; it does not ask them. Those who live only by the numbers may find that the computer has simply replaced the oracles to whom people resorted in ancient times for guidance in risk management and decision-making."* Business executives must not just rely on models that are appealing for their apparent sophistication. They may delude us into thinking we have understood the underlying factors, when really we have done nothing of the kind. This is the delusion of rigorous research — if the quantity of data is impressive, we forget the underlying quality may be bad. On the other hand, well-designed efforts to look ahead even three to five years can be stunningly prescient. Consider the annual Global Risks Report, published by the World Economic Forum in cooperation with Citigroup, Marsh & McLennan Companies, Swiss Re, the Wharton School's Risk Management and Decision Processes Centre and Zurich Financial Services, which is based on a qualitative assessment of global risks, workshops and input from business leaders and experts around the world. In the 2007 report, a global collapse in asset prices was identified as the major risk with one of the highest probabilities of occurring and the biggest potential impact. Then again, in January 2008, the next report warned of a high likelihood that a *"liquidity crunch will spark a U.S. recession in the next 12 months"* and called for new thinking on systemic financial risk. As we know now, both predictions were right on target. Also effective are company-specific assessments, if done right.

You have to be proactive. Understand the risks as well as the environment you are operating in. Companies also need to think about what level of risk-taking is required to win in their specific industry. The great unspoken issue is about payoffs, and the degree to which payoffs are skewed in an industry. In an industry with many players, low barriers to entry and where only a small number will make a lot of money, the payoffs are highly skewed. If this is the case, you cannot afford to take a conservative approach. So winning is not about limiting the downside in situations like this. Only companies that have an appetite for risk in that industry will find themselves winning.

Ultimately, then, the new thinking about risk management is becoming much more a strategic discussion, turning risk managers into strategists and vice versa. Strategy in this case is making choices under conditions of uncertainty. You cannot make the right strategic choices without understanding your industry and how much risk you need to take on. As a result, risk management promises to become an even more central part of managing any business.

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Sabotage & Terrorism And Kidnap & Ransom

By Tunde Solabi

Just a few years back we thought we were safe, and would not face security issues in our country. Nigerians were anxiously concerned on how the Federal Government can tackle the corrosive corruption, education, agriculture, power and other infrastructural failures, but now, there is crises everywhere, with killings, kidnappings and loss of properties as a result of various vices in the society. The physical and physiological toll on Nigerians is great.
Today, it is news of a bomb blast. Yesterday, it was a suicide bombing, tomorrow; it may be an assassination and the day after, mass murder from suicide bombing. Every day in Nigeria, the news seems to get from bad to worse, as the security situation deteriorates further and further.

Corruption of public officers over the years has greatly affected the country's economy which has been further battered by the fallen oil prices which is the main source of revenue for the government. Unfortunately, this has affected the ability of the 3 tiers of government to meet their financial obligations to their contractors and workforce. This coupled with the unemployment rate has increased the level of criminal activities within the country and has made the country a very fertile ground for recruiters of terrorist groups.

A terrorist attack can strike at anytime, anywhere, and the consequences can be devastating. With the right protection, these damages can be limited and the security of knowing there is coverage is comforting. Recent events have forced risk managers to reassess their approach to the threat of terrorism and politically motivated civil unrest. Before the 9/11 incident in 2001 leading to the destruction of the twin towers of the World Trade Centre in New York (which estimated property damage loss alone was in excess of $30b and stands as the 2nd largest insurance loss in history after hurricane Katrina), property insurers provided some level of coverage for this type of risks, but they have since reviewed their policy wordings to exclude risks pertaining to terrorism and political violence, thereby putting them in the same classification as war risks. However, some specialist underwriters in the international market have developed capacity to underwrite these forms of risks which their Nigerian counterparts have taken advantage of.

In the light of the above, prudent organizations seek to secure insurance products to transfer some or all of these risks, thereby providing financial resilience and peace of mind.
For the purpose of insurance, an act of Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), **committed for political, religious or ideological purposes** including the intention to influence any government and/or to put the public in fear for such purposes

Also, for the purpose of insurance, an act of Sabotage means a subversive act or series of such acts **committed for political, religious or ideological purposes** including the intention to influence any government and/or to put the public in fear for such purposes.

Below are the summaries of covers for these types of risks:

Sabotage & Terrorism

In consideration of the premium paid and subject to the exclusions, limits and conditions contained herein, this Policy indemnifies the Insured for its ascertained Net Loss for any one Occurrence up to but not exceeding the Policy Limit against:

1.1. Physical loss or physical damage to the Buildings and Contents which belong to the Insured or for which the Insured is legally responsible, directly caused by one or more of the following perils occurring during the Policy Period and in respect of which the Insured has purchased cover as specified below:

1. Act of Terrorism;
2. Sabotage;
3. Riots, Strikes and/or Civil Commotion;
4. Malicious Damage;
5. Insurrection, Revolution or Rebellion;
6. Mutiny and/or Coup d'état;
7. War and/or Civil War.

Such perils as are specified above and in respect of which cover has been purchased by the Insured shall be the *"Covered Causes of Loss"*.

1.2. Expenses incurred by the Insured in the removal of debris directly caused by any one or more of the Covered Causes of Loss. The cost of removal of such debris shall not be considered in determination of the valuation of the property insured.

(Extract from Leadway's policy wordings)

Kidnap & Ransom Insurance

The policy is a necessity for organizations and individuals worldwide. It helps clients to manage a variety of security risks including threats and extortions against people, property and propriety information. Many organizations lack the resources and personnel to quickly and professionally respond to threatening situations hence the policy helps companies face their legal duty to exercise reasonable care in providing a safe workplace.

Coverage

Policy offers protection against the following:

- Threats to: Kill or injure, Damage property and Divulge confidential or propriety information
- Kidnaps for ransom
- Extortion
- Hijacks
- Express kidnaps
- Child abductions
- Hostage situations
- Unlawful incarcerations by foreign governments
- Security related evacuations
- Disappearances of insured persons
- Individuals or organizations declared persona non grata

Please note that coverage is tailored i.e. developed through highly confidential discussions with security directors and risk managers only.

Risks Management Tips on Personal Consumer Insurance

By Oluwasegun Lasisi

You should always check first with your own personal insurance brokers for your insuring and purchasing solutions, but here are some tips on certain insurance topics. Remember the old saying applies

"you insure that which you cannot afford to lose".

Automobile Insurance

When you purchase or acquire a vehicle, there are certain key basics to consider:

1. Physical Damage Insurance Coverage

This includes both the categories of collision and comprehensive coverage. If you cannot afford to retain the risk or the ability to absorb the financial cost of repair or total loss to your vehicle, then you should consider buying physical damage insurance.

Collision coverage is, as it sounds, coverage to your vehicle from collision with another object, vehicle overturn, or upset. Don't underestimate the importance of comprehensive coverage which includes coverage for loss to your vehicle from perils such as windstorm, falling objects, flooding, impact. You can control your premium costs by opting for higher deductibles or excess.

2. Motor Vehicle Liability Insurance Coverage

For insuring your personal vehicle, you should be cautious about just purchasing the minimum statutory limits of coverage. Here are a couple of good reasons why you should consider higher limits of motor vehicle liability insurance coverage:

(2a) You can be held legally liable for the uninsured damage or injury to others if solely at fault in an accident - if you exhaust your minimum coverage limits. The minimum statutory limits of coverage is N1,000,000.00 for property damage per accident and unlimited limit for bodily injury for one person per accident

(2b) There are more and more uninsured and underinsured drivers out there. Usually, the amount of automobile liability coverage that you choose to purchase (also known as coverage limits) will also be the same amount of uninsured/underinsured motorist coverage that you are underwriting yourself for. It is essential these days that you personally carry uninsured/underinsured motorist coverage.

3. Medical Payments Insurance Coverage

Always have this coverage, whether automobile medical payments coverage or the Homeowners' version of Medical Payments coverage. This is known as the *"good neighbor's coverage"*. The coverage is solely triggered by an accident and does not assign blame to the insured who may be your *"best friend"*.

4. Personal Rental Car Insurance

When personally renting a car, before

purchasing additional coverage options through the rental car dealership, you may want to check to see if you have a policy that may afford some rental car coverage, especially damage to the rental car itself, and for the loss of use by the rental car company while that rental car is being repaired. Also check with your own personal insurance broker/agent to see which coverage you may have under your own automobile insurance policy. If you personally lease a rental vehicle, remember you may be held contractually liable for any damages to the rental car while in your custody, regardless of circumstances. Be sure that you have the proper insurance coverage in place to manage your risk.

Key Property Insurance Considerations

1. Property Insurance

For those of you who rent or lease a residence, you should consider evaluating whether to carry property insurance coverage for your contents or assets. How often have you read about apartment fires and uninsured tenants. You can also check with your brokers as to an Houseowners/Householders policy which can also afford you some general liability coverage as a package. You should at least check for your personal decision on affordability.

2. Flooding

Before renting or purchasing a residence at first floor grade or below grade level, check to see if there has been flooding from natural rising waters in the past. Remember, most property insurance policies do not cover flooding from rising waters. If you are living in a flood-prone residential area, then you need to consider taking up Flood Insurance or extending your policy to cover such.

Health Insurance

Remember, that you should be a wise consumer and not shop for premium cost alone. It is important that you compare covered benefits, co-payments, coverage limits, and, of course, deductibles. One key consideration is to research how broad and extensive a Preferred Provider Network does your prospective health insurer have. This can have a very important impact on the net cost of your healthcare to you. Preferred Provider Networks provide cost discounts to insurers and ultimately this can impact your own costs. Also, it is important to see if your own preferred medical provider is on such a network for provider care decisions.

The above is solely intended as some tips, and as always, you should check with your own insurance brokers for purchasing guidance. We just hope that these tips have increased your awareness level.

THREE REMINDERS !!!

1. Buckle your seatbelts when in a motor vehicle.
2. Be a defensive driver and watch out for the other driver.
3. Check and test your residential smoke detectors. Detectors should be audible from anywhere that you may be sleeping.

Motor Vehicle Risk Management Recommendations

By Mayowa Ademola

Managing motor vehicle risks including liability exposures are a responsibility shared by both management and employees in the case of company vehicles. In the case of individuals, this remains a sole responsibility. The extensive use and number of motor vehicles on our roads represent one of the largest risk occurrence and loss exposures in the country. Bodily injury, property damage, and lost productivity may result as a consequence of motor vehicle accidents.

The following risk management suggestions are offered to reduce the frequency and severity of these accidents:

1. Comply and Meet All the Requirements of the Federal Road Safety Commission (FRSC) Nigeria.
i.e road safety administration and management.

2.Verify Operator's Driver License:
Anybody that need to drive a motor vehicle should have a valid driver's license. It is important that the license be valid for the type of vehicle driven (e.g. Commercial licenses vary by class according to Gross Vehicle Weight [GVW]).

3. Maintain Safe Driving Distance and Parking Techniques:
The most frequent types of vehicle accidents and claims reported are low-speed incidents in congested roadways (traffic) and parking areas. Maintain safe driving distance. Take extra time to make sure that your travel path is clear and safe before you change lane.

4. Ensure Vehicle Maintenance and services
The owner of a vehicle(s) should ensure that the vehicle (s) is being maintained and serviced as at when due including condition of signal lights, brakes, tires, windshields, and mirrors.

5. Keeping of Records:
The owner of a vehicle(s) should keep all records of maintenance, service, and inspections.

6. Report Any claim (Accident, Damage to Third Party Property, Theft injury etc) Immediately: It is important that all motor vehicle claims are reported to your broker or insurance company immediately and the necessary documentations completed quickly.

7. Get Enough Sleep before Driving:
If you live in Lagos and must drive, get enough sleep before doing so.

Contract Certainty & Clarity

Examining Subjectivities in Commercial Re/Insurance Contract Wording

By Victor Adewuyi

At the end of this topic which is in series, the reader should understand and demonstrate the knowledge of

- The purpose , scope and the use of commercial contract wording in the market
- The issues to consider when drafting or agreeing a contract wording
- The importance of contract certainty to all the parties involved in re/insurance business.

In the past, insurance industry have been accused of tiny prints within the contract wording which made the wordings difficult for the insuring public to read and understand, therefore making claims administration difficult.

Other issues with insurance were:

1. Dealing without due regards to the precise terms of the contract

2. A reputation for failing to produce contract wording promptly and for them often being inaccurate even when they are produced.

3. Issuing of contracts with conflicting clauses

The implication of uncertainty in a re/insurance contract for all parties can be identified as follows:

For the insured, it could mean that there is no definitive document available to refer to in in order to establish exactly what is covered by the insurance and what is not. An insured may not necessarily be aware of full extent of their rights and duties under the insurance. This could result in the event of a loss or claim and could lead to the insured inadvertently breaching a policy condition.

The insurer would face uncertainty by facing a claim it had not intended to cover. In such situation, the insurer's reserving may prove to be inadequate to deal with additional claims.
When the parties find that they had different intentions as to what was and was not to be covered by the insurance, it is likely that dispute will arise and this could result in time- consuming litigation.

The re/insurance broker could also find itself in the line of fire in this sort of dispute and may find itself facing expensive errors and omission claims.

What then is **Contract Certainty?**

According to the London Market Group (LMG) which issued a Code of Practice in 2005 and they issued a most updated version in June 2007 titled *"Contract Certainty Principles and Guidance"* Contract Certainty is achieved by the complete and final agreement of all terms between the insured and insurer by the time they enter into the contract documentation provided promptly thereafter.

This group have also come up with a number of attributes as part of its Contract Certainty Checklist: The attributes are as follows:

- The contract should be clear and unambiguous. That is terms must be clearly expressed, including any conditions or subjectivities.

- The law, jurisdiction and arbitration (where applicable) should be clearly referenced

- All terms within the contract should be clear and unambiguous

- All duties should be clearly allocated.

- Any supporting information should be clearly referenced.

- The submission should be compliant with regulatory requirements

In recent years, there has been a general move away from the term 'policy' to using the term 'contract' when describing the insurance purchased by the insured. A useful phrase, which helps reinforce the distinction between policy and wording, is 'contract certainty'.

An issue of particular concern in relation to achieving certainty has been the imposition of subjectivities in reinsurance and reinsurance contracts. Sometimes when a risk is placed, the re/insurer may still require further information to make sure it has properly assessed and rated the risk. If the information is not the re/insurer requires is not immediately available, it may wish to impose subjectivity on the contract. A subjectivity if not properly expressed would give complete contract uncertainty.

The Contract Certainty specified that in order to achieve contract certainty, any subjectivity must be expressed as unambiguous condition of the contract. It must specify:

- Responsibilities and timescale for resolution
- Any consequences of failure of the contract.

According to the guidance, there are subjectivities that:

- Must be complied with or resolved before the contract is entered into and/or

- Apply both before and after the inception with which is a condition of all or part of the coverage provided and/or

- Apply after the insured and insurers have entered into the contract as a condition of continued coverage.

Subjectivity should set out all of the following:

1. The conditions / actions that needs to occur, by whom and to what standard
2. The applicable timescale if any with which the condition is to be met
3. The terms which are to apply until the condition is met
4. Any consequences which follow if the conditions is not met.

We shall consider how in practical terms how this guideline applies to a contract which states **'subject to survey'**. This example will address the four requirement of a fully claused condition. This example will also take note of the someone who has to either draft or check/vet a wording (that is a drafter or a checker) that is the practical considerations involved in either role.

"Survey Condition

The insured shall provide to the insurer a property survey report on { insert property address} such report to be prepared by { insert name of surveyor(s)} ("the Survey"). The Survey shall be so provided by { insert time and time zone} on { insert date} (" the Survey Deadline")

Between the inception and the Survey Deadline, cover is provided by the insurers on terms and condition specified in the contract to which this condition is attached (" the Contract Terms")

Where the survey is not submitted to the insurers by the survey deadline, covert shall terminate at the survey Deadline.

Where the survey is submitted to the insurer by the Survey Deadline, cover shall continue from the Survey deadline on the contract terms until expiry of the period of the contract unless and until terminated in accordance with the following paragraph.

In the event that the survey is unsatisfactory to the insurers, the insurers shall have the right with [ ] days of its receipts to terminate the contract by not serving not less than [] days' notice in writing to the insured at its address shown in the contract such notice expiring no earlier than the Survey Deadline.

In the event of termination under this survey condition, the insured shall be entitled to a pro-rata return of premium for the unexpired period of the contract unless a loss has arisen for which the insured seeks indemnity under this contract in which case the insurers shall remain entitled to the premium specified in the contract term.

To the extent that this survey conflicts with any other cancellation, notice of premium provision in the Contract Terms, this survey condition shall prevail.

Managing Risk in the Business Development Process

By Henry Ufuah

How certain are you that your professional staff will meet or exceed their business development goals this year?

While virtually all service firm managers will confidently answer, *"We'll make it,"* experience tells us that many won't, and that a significant portion of them will be surprised toward the end of the year. Yet there are clues that will tell you whether your managers are assessing and reducing the risks of not meeting revenue targets.

Two Types of Risk

There are two types of risk in business development forecasts and results.

i. Systematic risk refers to uncertainty driven by changes in the economy as a whole.

ii. Unsystematic risk, on the other hand, refers to risks of execution, risks related to a company's management of its business processes.

Leakage of opportunities from the sales pipeline is an example of unsystematic risk.

One of the best ways to reduce the unsystematic sales risks is to manage sales using a formally defined, consistently implemented, rigorously monitored sales process.

Defined Sales Process Frames Risk Analysis and Management

A sales process defines a company's activities for choosing and approaching prospective clients, identifying business issues, recommending solutions, and following up to assure implementation.

The ideal sales process is one in which sales team members (broadly defined as whoever may have a revenue target) know and perform the right activities correctly, with the most profitable clients and prospects, at the correct times, in the correct frequencies and volumes to produce predictable results. Their sales activities generate a flow of new revenue opportunities.

As the revenue opportunities move from one stage to the next in the sales process, there are conversion rates and there is a yield at the end of the process.

While many service firm managers still resist the idea of a formally defined sales process, saying, *"You don't manage sales at a service firm like you might manage a manufacturing operation," and "We hire good people, and we expect them to go out there and sell,"* managers who can't answer the question, *"What activities in what frequencies will get you to your revenue targets?"* are generating results essentially at random, unable to identify or reduce the drivers sales variability.

Management of the Sales Process Reduces Risk

Once a service firm has defined and documented its sales process, managers must monitor opportunity flows, cycle times, conversion rates, and yields, looking for opportunities to make improvements and to catch adverse changes early. They must then use this information to direct and coach sales team members.

Managers need accurate and complete information about sales activities and *"work in progress"* - the sales pipeline report. Sales activity reports and sales pipeline reports are the two most important information tools because they show opportunity flow, cycle times, conversions, and yields at each step of the sales process.

The sales pipeline report should include all business currently in the sales process, from *"sighted"* business (a potential opportunity) through to "committed, not closed." To each opportunity, sales managers should attach a *"probability to close"* based on historical, factual evidence. For example, if sales managers know that one out of every four proposals submitted are ultimately accepted, the probability attached to a deal at the proposal stage is 25%.

Managers should be using these reports to ensure that sales team members are;

(1) using the defined sales process effectively and

(2) generating sufficient levels of business development activity to create the required flow of new opportunities.

Typically, managers should conduct regular weekly and monthly reviews of business development activities and results to date, and opportunities in the pipeline.

Manager should consider their rainmakers' forecasting accuracy, their efficiency in converting leads to sales, and their increased capabilities (knowledge, skills, and experience), as well as sales results (the yield from the sales process).

Balanced Scorecards Provide a Future View

If managers at your company are measuring activities and results, and if they can describe the relationships between activities and results, you should feel somewhat confident.

You can feel even more confident if they can also point to leading indicators of future sales performance. These could include areas such as client satisfaction measures, professionals' knowledge of client issues, and solution configurations.

As Kaplan and Norton expressed in their book, Balanced Scorecard: *"(The Balanced Scorecard) should translate a business unit's mission and strategy into tangible objectives and measures (that) represent a balance between external measures ... and internal measures of critical business processes.... The measures are balanced between outcome measures...and the measures that drive future performance. And the scorecard is balanced between objective, easily quantified outcome measures and subjective, somewhat judgmental, performance drivers of the outcome measures."*

The Idea is to Reduce Risk

Every organization must address the unsystematic risks inherent in its sales activities. To begin, they must define a sales process that focuses business developers on the right customers and prospects at the right time performing the right activities in the right frequencies in the right volume to generate revenue.
A formally defined and documented sales process enables business developers to systematically test relationships between activities and results and improve the productivity of their selling time and activities.

Accurate, timely information about sales activities and opportunities in the sales pipeline, combined with persistent, thorough sales manager inspection and intervention reduces surprises, missed opportunities, and lost opportunities.

A balanced scorecard provides additional risk-reduction assurance by generating insight about future performance.

This isn't to say that every business developer and manager will appreciate this process all of the time. They will resist the constant accountability and display of their work.

But on the bright side, there is freedom in the discipline. Whoever does the selling at your organization can now know where to go and how to behave so as not only to reduce risk associated with their results but generate a consistently higher level of results.

The Cyber Risk threat to Financial Services Institutions in Nigeria

By Bukola Osanyin

The financial services industry is critically reliant upon technology to keep records, process transactions and facilitate day-to-day activities. Technology is moving faster than ever, in the past three to five years, organizations in this sector have embraced the use of mobile devices and applications, social media and cloud computing. All of these technologies can reduce a company's control over information. At the same time, the amount of information they transmit through their networks is increasing by the day, thus increasing the opportunity for cybercrime at both the retail and consumer level. The fact is that a successful, widespread attack on the financial industry could reduce confidence in the banking system.
For insurance companies, the largest fear may be of a massive privacy information breach, which could be devastating to the institution.

There is also of course the continued exposure to the risks of business interruption, income loss, damage management and repair, and possibly reputational damage if IT equipment or systems fail or are interrupted.

Risk Management

Businesses need to assess their risks now and make sure they take appropriate steps to protect themselves. The first line of defense for companies against cybercrime is to continuously take inventory of exposures and solutions. In managing their risks, each company should balance its unique network risk exposures and risk tolerance with cost-effective risk management. The best approach is to create a risk management team that constantly monitors the field and ensures that the company is adhering to the best practices in cyber risk mitigation. These best practices not only protect the business but also enable companies to be in a better position to inform their underwriters regarding their level of risk.

Cyber Risk Insurance

Cyber insurance covers the losses relating to damage to, or loss of information from, IT systems and networks. Cyber Insurance also offers coverage for liability that arises out of unauthorized use of, or unauthorized access to, electronic data or software within a company's network or business. In addition, it provides coverage for liability claims for spreading a virus or malicious code, computer theft, extortion, or any unintentional act, mistake, error, or omission made by employees while performing their job.

How Cyber Risk Insurance Works

The first step in deciding whether a financial institution would require the cover is the analysis of the potential risk exposures.

Generally, organizations should be concerned about cyber risk Insurance if they:

- Gather, maintain, disseminate or store private information

- Have a high degree of dependency on electronic processes or computer networks
- Engage vendors, independent contractors or additional service providers
- Are subject to regulatory statutes
- Rely on or operate critical infrastructure (Personally Identifiable Information risk are less prominent for industries such as utilities, manufacturing and logistics)
- Are concerned about intentional acts by employees
- Are a public company

Financial Institutions in particular are exposed to the following Cyber Risk Exposures:

- Loss of confidential Information
- Reputational Risk
- Malicious Acts
- Liability
- Cyber Regulatory Risk
- Cyber Terrorism
- Error and Malfunction Risk
- Business Interruption
- Outsourced Vendor Risk
- Loss of intellectual property
- Product or service failure
- Social Media Risk

Once coverage requirements are established, the various offerings presented by insurers are evaluated and the desired coverage options are identified. Once the desired option is chosen, underwriters will be informed about the scope of coverage and the review process is initiated. After the underwriters have evaluated the application which differs with each organisation, the parties then negotiate the key policy provisions and definitions.

What Are The Unique Risks To Financial Institution Clients?

- IT infrastructure interruption
- Recent targeted attacks of commercial banks by hackers
- Significant amounts of credit card information, bank account information, credit information, etc.
- Reputational harm (trust)

Why Are Standard Insurance Policy Coverages Not Enough?

While existing policies sometimes carry a level of coverage, they were not intended to cover the many risks associated with an increasingly digital world. For example:

- **Property Insurance**
  Malware and Denial-of-Service attacks do not constitute 'physical perils' and do not damage 'tangible property'
- **Professional Indemnity**
  - Unauthorized access exclusions.
  - Requires negligence in provision of defined business activities.
  - Generally no cover for information commissioner regulatory actions
- **General Liability Insurance**
  General Liability coverage is limited to 'publication or utterance' resulting in one of traditional privacy torts.
- *"Publication"* resulting from hacking is not an act of the insured
- **Fidelity Guarantee Coverage**
  This covers loss as a result of the dishonesty of staff resulting in the loss of money, securities, or tangible property.

What Is The Scope Of Cyber Risk Insurance Coverage?

3rd Party Coverage

• Wrongful disclosure of Personally Identifiable Information, Protected Health Information or confidential corporate information in the client's care, custody or control via a computer network or off-line (e.g., via laptop, paper, records, disks)

• Failure of computer network security to guard against threats such as hackers, viruses, worms, Trojan horses and denial of service attacks whether or not resulting from the provision of professional services

• Content liability perils such as defamation and infringement of intellectual property rights arising out of website, marketing and advertising activities

• Security or privacy breach regulatory proceedings (including associated fines and penalties)

1st Party Coverage

• Network business interruption: loss of income and extra expense due to network security failure

• Intangible property: costs to restore or recreate data or software resulting from network security failure

• Breach response/management costs associated with:

– Breach notification, including the hiring of outside law firms and public relations consultants

– Credit monitoring/protection

– Notification hot-line/call center

– Forensic costs

– Identity theft resources

• Cyber extortion
Loss of income due to failure of network security

Legistlation

Governments around the world have increasingly focused on protecting privacy rights and thus are creating new laws and regulations on how businesses store, use and protect consumer information. Nigeria is not an exception, and very recently the **Cybercrime Prohibition, Prevention Act 2015** was enacted into law.

Highlights of the Act:

The Act dubbed: 'Cybercrimes Prohibition, Prevention Act', was signed by former President Goodluck Jonathan on May 15, 2015.

Objectives

The main objective of the Act is to provide an effective and unified legal, regulatory and institutional framework for the prohibition, prevention, detection prosecution and punishment of cybercrimes in Nigeria. It also seeks to ensure the protection of critical national information infrastructure as well as promoting cyber security and the protection of computer systems and networks electronic communications, data and computer programmes intellectual property and privacy rights.

Implications of the Cybercrime Prohibition, Prevention Act 2015 to Business Operations

The Cybercrime Act is a crucial piece of legislation:

- It will encompass stronger obligations around minimum technical and organizational control as well as prompt failure disclosures.
- The Act provides more power to regulators around imposing financial penalties as well as subjecting companies to regulatory audits.
- Firms must start preparing early as there are a number of additional administrative and record keeping obligations that may require fundamental organizational and IT change and in some cases at significant cost

Sanctions under the Act include:

1. Fines up to N7,000,000.00 or imprisonment for a term of not less than three years or both fine and imprisonment in the event of a computer related fraud.

2. Fines up to N7,000,000.00 or imprisonment for a term of not less than three years or to both fine and imprisonment in the event of identity theft and impersonation.

Underwriting Considerations For Cyber Risks Insurance

Rating of Cyber Risk Insurance
Cyber Risk Insurance is presently not underwritten in Nigeria. However, policies written in other environments do not necessarily follow a standardized pricing. The more likely reason for a lack of standardized pricing is the specificity of each policy to the policyholder's individual situation and the lack of uniformity in the risk carrier's assumptions. At the outset, important differences that can impact pricing exist between the base policies different carriers offer. Those differences are compounded by the reality that — if tailored correctly — the cyber insurance policies are intensely specific to the needs of individual companies.

However, some key factors drive pricing of cyber insurance policies. The following considerations may carry different weights depending on the policy being written and the underwriter conducting the analysis.

- **The insured's industry**
  Some industries have more significant exposure than others.

- **Geographic spread of operations**
  Companies with a global footprint face different risks in different jurisdictions. The Unites States of America is a fairly litigious environment with significant privacy laws and regulations, creating significant exposure. Other jurisdictions may not have robust regulation or enforcement, reducing the risk of exposure from a breach.

- **Limits sought by insured**
  The aggregate limit of coverage will certainly impact price, but limits in other key areas such as notification costs will also affect premiums. For example, many policies limit coverage for notifications to a set number of persons.

- **Deductible/retention**
  A higher deductible or retention will generally operate to reduce premiums.

- **Security and privacy controls**
  Companies that can demonstrate high quality controls will generally see lower premiums. Notably, quality is not based solely on the technology a company uses to protect data. Rather, quality is the combination of people, processes and technology that a company uses to safeguard itself. While some carriers continue to inflict lengthy applications on applicants, much more commonly carriers ask the company to participate in a briefing at which individuals with responsibility for management and security provide information and respond to questions.

- **Claims and loss experience**
  A company's history of loss will inform decisions on the likelihood of future losses.

- **Data breach team choice**
  If the insured wants to utilize its own data breach team rather than using the carrier's team, the premium will likely increase. Policies requiring the insured to use the carrier's data breach team reflect the savings a carrier is able to realize as a result of providing high volume business to chosen experts. Some carriers will not write a policy that permits the insured to choose its own data breach team.

Insurers will also be interested in the insured's information technology management policies as well as their company's governance and internal control policies related to cybersecurity

This non-exhaustive list of factors illustrates why the pricing spectrum of cyber insurance is so broad and so unpredictable. Even two similar companies in the same industry could face significantly different pricing because of loss history and security and privacy controls. Rather than asking whether a premium is standard for the market, prospective policyholders may be best served by focusing on the premium cost in light of their own particular risk of loss.

Claims

A claim means receipt by or service upon the insured of:

1. An enforcement notice

2. Written demand seeking legal remedy

3. Notification of civil, regulatory, administrative of criminal proceedings seeking legal remedy or other sanctions

4. Written demand by a regulator in connection with a regulatory investigation

The Limit of Liability of the Insurer is the sum of:

1. Sublimit of liability
2. Extensions
3. Professional Fees
4. Defense cost

Cyber Risk Claims Adjustment

Claims processing and investigation for cybercrime insurance policies require significant input from technology and IT security experts. Claims need to be assigned to a team that includes claims adjusters, IT professionals, and security industry experts. Procedures and models must be defined to calculate the potential loss from any cybercrime incident, especially in case of third-party liability. Insurers also must assess whether existing fraud detection and prevention capabilities are applicable to cybercrimes or if new ones are needed.

Legal counsel at insurance companies will need to define legal terms related to cybercrime and manage litigation for the new cybercrime insurance products worldwide, resulting in many claims.

For prior claim and circumstance that may reasonably have been expected by the insured to give rise to a claim as at inception date, the insured must promptly notify the insurer about the circumstance which information should include:

1. The nature and circumstances of the fact
2. Allege/potential breach
3. Date time and place of the alleged/ potential breach
4. Identity of the potential claimant
5. Estimate of possible loss
6. Potential media or regulatory consequences

Conclusion

With financial institutions at the center of the world's economic activity, they are perceived by terrorists, cyber criminals, disgruntled employees and hackers as prime targets. They have been the object of some of the most widely publicized cyber-attacks in recent times. As networks become more sophisticated and the level of technology required by consumers increases, it should be reasonably expected that the level of cyber activity will continue to grow and risks expand accordingly.

Financial Institutions should therefore recognize the importance of mitigating cyber risks and purchasing Cyber Risk Insurance as an essential task in maintaining the on-going success of their institutions. Cyber resilient organizations are better positioned to keep pace with evolving threats, thereby helping them to avoid financial damage, negative publicity, and loss of customers' trust.

Personal Finance and Entrepreneur

By Jumoke Damazio

Personal finance is defined as the management of money and financial decisions for a person or family taking into account various financial risks and future life events. Examples of this includes how to budget, save for retirement, tax planning, investment and purchase of Insurance.
An Entrepreneur is an individual who, rather than work as an employee, runs a business and assumes all the risk and reward of a given business venture, idea, or good or service offered for sale. These are the people who have the skills and initiative necessary to take good new ideas to market and the right decisions to make the idea profitable.

The key component of personal finance is financial planning, which is a dynamic process that requires regular monitoring and revaluation.

Generally, financial planning process involves the following steps:

Assessment

The first thing you need do is to construct your personal income statement and personal net worth statement. A person's financial situation is assessed by compiling simplified versions of financial statements including balance sheets and income statements. A personal income statement is basically an annual budget of your income and expenses. The net worth statement is similar to a company's balance sheet where you record your assets and liabilities as well as your net worth. A personal balance sheet lists the values of personal assets (e.g., car, house, stocks, bank account), along with personal liabilities (e.g., debt, bank loan, mortgage)

Goal setting

Without a goal in mind, it is really difficult to plan your financials. So always start with a goal, such as the amount you need for retirement, university education for your children, etc. and work backwards to determine how much money you need to save. Assumptions would be required for inflation and your investment rate of return. Setting financial goals helps to direct financial planning. This means trying to step back and say, *"Where are we going? How are we going to get there?"* While it doesn't necessarily mean having all the pieces in place . you should be able to identify the goals and a few actions that will bring you closer to achieving them. The goals set must be specific, measurable, realistic, and even a little challenging.

Creating a plan

The financial plan details how to accomplish the goals. It could include, for example, reducing unnecessary expenses, increasing the employment income, investing in the stock market, risk management and so on

Execution

Execution of a financial plan often requires discipline and perseverance. Many people obtain assistance from professionals such as Accountants, Tax Expert , Lawyers and more.

Monitoring and reassessment

The financial plan needs to be monitored for possible adjustments or reassessments.

The six key areas of personal financial planning

Financial position: is concerned with understanding the personal resources available by examining net worth and household cash flow. Net worth is a person's balance sheet, calculated by adding up all assets under that person's control, minus all liabilities of the household, at one point in time. Household cash flow totals up all the expected sources of income within a year, minus all expected expenses within the same year. From this analysis, the financial planner can determine to what degree and in what time the personal goals can be accomplished.

Adequate protection: the analysis of how to protect a household from unforeseen risks. These risks can be divided into liability, property, death, disability, health and so on. Some of these risks may be self-insurable, while most will require the purchase of an insurance contract. Determining how much insurance to get, at the most cost effective terms requires knowledge of the market for personal insurance. Since insurance also enjoys some tax benefits, utilizing insurance investment products may be in the overall investment planning.

Tax planning: Managing taxes is not a question of if you will pay taxes, but when and how much. Government gives many incentives in the form of tax deductions and credits, which can be used to reduce the lifetime tax burden. It is important to take advantage of tax rules that allow for exemptions while still working towards your goal.

Investment and accumulation goals: Planning how to accumulate enough money for large purchases and life events is what most people consider to be financial planning. Major reasons to accumulate assets include, purchasing a house or car, starting a business, paying for education expenses, and saving for retirement.

Estate planning: involves planning for the disposition of one's assets after death. The disposition of one's asset after death will be done in the way the government determines if you haven't made your plan. Hence, it is important you make plans to fulfill your wishes will saving your estate rom avoidable extra cost. Unfortunately, too many people relegate this to the bottom of their list.

Ways to strengthen your Finances

Diversify your income sources.

Investing part of ones income is a major way of getting additional income. One could have Fixed deposits in the bank at a very good interest rate and also one could turn a hobby into a small business to make additional income. By diversifying and placing funds into another side business, alternate investments, or just setting aside cash, you will give yourself breathing room in the event that you have to call it quits or need to pivot to another business.

Invest in Stocks

The current investment climate has scared many people away from stocks, and for some, it may have been for good! But owning stocks is one way to fight inflation risk. The best way to beat inflation is to own equities and invest for the long term.

Plan For Inevitable Rainy Days

Keep a comfortable sum of money liquid as emergency fund. This should come before any long term goals like investing or saving to purchase plots of land, buildings and so on.

Keep Your Expenses Below Your Income

"Never forget that expenses rise to meet income. This is the gist of Parkinson's law. This is the reason that a couple months after most people get a raise, it feels just as tight financially as it did before the raise. No matter the percentage increase in ones salary one would realize it doesn't just seem to be enough after a short while. There are no two ways around this. If you want to keep your personal finances in order, you need to live on less money than you make. That means either purchasing items and services that are less than you currently make, or figuring out a way to increase your salary so that you can spend more, but still less than you make. Either of these is perfectly fine.

Differentiate Between Wants and Needs

To keep your personal finances in perspective, you need to understand the difference between wants and needs. There is absolutely nothing wrong with small luxuries however and it is important to realize that wants are not needs. If you are able to differentiate between Wants and Needs, your finances will be in much better shape. Try as much as possible Eliminate Impulse spending

Pay Yourself First

Before you pay any of your other bills, you should pay yourself a minimum of 10% of your take-home pay. This money is not part of your monthly spending budget.

Manage your debt

Debt is modern day slavery .Debts should be avoided as much as possible unless where necessary .Housing, education are valid reason but when you go into debt to pay off everyday expenses then you need to pause and take a closer look at your expenses.

Stay healthy

Keep an eye on your health. Unfortunately, good health is one of those things that we easily take for granted until it's too late. Personally, I have made a few changes in my lifestyle to ensure that I stay healthy maintain by reducing stress, worrying less and improving my diet. If you do not live a healthy life you may not live long to enjoy the fruits of your labour.

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What are you worth?

By Oluseyi Agun

As part of efforts to become more financially independent, everybody should be encouraged to periodically calculate his or her net worth.

But precisely what is a network? Basically it can be defined as *"the value of your assets minus your liabilities"*. An understanding of this provides the best way to measure and track your financial well-being.

Net Worth = Assets – Liability

Another way of understanding the concept of Net Worth is to view it as the *"amount by which assets exceed liabilities".*

Asset (Value) > Liabilities

Net worth is a concept that applies to both individuals as well as business organizations and is a key measure of how much an entity is worth.

A continuous increase in net worth shows good financial health; conversely, net worth may be reduced by annual operating losses or a substantial decrease in asset values relative to liabilities

Individuals with a substantial net worth are known as High Net Worth Individuals (HNWIs), and are prime attractions for wealth and investment managers and financial guides and counselors.

What is my current net worth?

In order to achieve financial objectives and reach desired goals and objectives in life, you need to know where you are at any present time. You can get a view of your financial position by creating a personal net worth statement.

As time goes by, your net worth will change as your assets earn interest or are depleted and your liabilities increase or decrease.

Striving to be the best you can

By Tosin Olubimo

"Let him who would move the world first move himself." - Socrates

Personal Development is the process of striving to be the best that you can be in order to reach and realize your full potential. It is a journey of self-discovery, self-improvement and self-realization.

Why Personal Development

The emphasis on personal development began to arise in the 1960's with the Human Potential Movement that had its roots in existentialism and humanistic psychology. Its purpose was to promote the idea that humans can experience an exceptional quality of life filled with happiness, creativity and fulfillment when they strive to reach their potential.

This suggests that the concept is possibly older than 80 to 90 percent of everyone reading this. So it is an old concept but still very relevant to us today.

As professionals, we live in a highly competitive world today, in the 60s, the competition was largely between humans but today individual competition is beyond the person sitting on the next desk or somewhere in the next company but robots or human machines. Hence, the standard of Knowledge, Skills and Abilities (KSAs) required in today's work place is fast rising and certain skills will not be required in another 5 to 10 years as predicted.

The good side of this evolvement is, that as computerization and robotic science threatens old and some current jobs, new jobs are emerging. The only question we must all answer is **what are our daily personal efforts in improving our KSAs to remain relevant in the next decade?**

Clearly, the need for Personal Development or Improvement cannot be overemphasized, if we are going to achieve personal fulfillment and success in this age.

Keys to Personal Development:

There are several tips or keys as related to this subject based on works of different researchers and authors but for the purpose of this publication, we will consider the Six listed below:

1. Know Yourself

Self-evaluation and awareness is critical for improving oneself. This will help identify individual traits in terms of Strengths, Weakness and every other thing that needs to be worked on or developed.

We must set daily personal goals to be better in every facet of life.

"Knowing yourself is the beginning of all wisdom"
- Aristotle

2. Read more often and Develop New Interest

The positive impact of good reading habit is as old as mankind; an author/scholar once said *"You cannot claim to be an expert on a field* *if you have not read 40 books on that field"*. The argument is not about the number of books but emphasis on personal study. There are other options to books i.e. Podcasts, Magazines, Research/Survey Reports etc.

The most important lesson on this is, keep educating yourself. There are also free Short Certificate Courses by leading Universities online on different platforms.

3. Make New Friends

Develop a habit of meeting new people that can add value to your Career and life. The quality of your social network (friends) could make a significant difference in your life.

4. Invest in Yourself.

Sponsor yourself for a course, as long as it is important to your career and life; also, invest in your health and wellbeing.

"For the best return on your money, pour your purse into your head." Benjamin Franklin

5. Be Flexible and Adaptable

Keep an open mind to add new Knowledge, ideas and trends. Every 5 to 10 years new technology, inventions that could alter our job profiles comes out. Your ability to adapt to these changes are critical for survival.

6. Have a Plan

Develop a clear plan for your development. Write it out and keep a journal/diary to monitor the implementation of your plan. Keep in mind *"The most efficient way to live reasonably is every morning to make a plan of one's day and every night to examine the results obtained"* - Alexis Carrel

In conclusion, as long as the quest for Self Actualization or Self Fulfillment remains, the need for Self Development will remain vital for individual effectiveness.

Think about the quote below:

"The wealthiest place in the world is not the gold mines of South America or the oil fields of Iraq Iran or Nigeria. They are not the diamond mines of South Africa or the banks of the world. The wealthiest place on the planet is just down the road. It is the cemetery. There lie buried companies that were never started, inventions that were never made, bestselling books that were never written, and masterpieces that were never painted. In the cemetery is buried the greatest treasure of untapped potential." - Myles Munroe