

LWS · SENSOR

Newsletter for Risk Strategists

www.lwsgroup.com

LWS
EXECUTIVE CONSULTING

Lothar W. Schenk

45 Years
Risk Management



LWS Risk Management for Entrepreneurs,
Registered Association



Communication – Information – Security

Utilizing Opportunities Recognizing Risks

Central focus is the entrepreneur. Maintaining his success, security and protection are the core objectives of the LWS Risk Management für Unternehmer e. V. (LWS Risk Management for Entrepreneurs, Registered Association).

■ Entrepreneurs have an existential interest in recognizing risks jeopardizing their assets in order to implement preventive measures at any early stage. Consequently, decisions made on such recognition establish the basis for healthy growth and entrepreneurial success.

risk experts. 45 years of accumulated risk know-how, a solid scientific foundation, knowledge of loss scenarios, and the ability to adapt to constantly changing risk situations are the basis on which dedicated, independent consultants are engaged by the Association.

The entrepreneur in charge is daily faced with tasks which can only be managed through prospective risk management. The central significance in his decision-making is therefore founded on an ongoing chance-risk-analysis.

Operational Risk Management

The LWS SENSOR regularly informs about important topics on operational risk management. In this new edition, the risk consultants of the LWS Group introduce the spectrum of services offered.

Effective security strategies require secure information sources. The LWS Firmengruppe (LWS Group) bundles expert know-how for entrepreneurial decision-making processes and makes this target-oriented know-how utilizable for top managers.

The LWS Team includes IT specialists, degreed engineers, attorneys, sports scientists, degreed merchants as well as public accountants with specific risk management experience.

LWS Risk Management für Unternehmer e. V. was launched by seasoned entrepreneurs in 1989. The aim was to provide a platform for the exchange and accumulation of know-how among its members.

The complexity of risks jeopardizing assets is managed professionally by the expert community.

Ongoing information about events and risk developments is provided by

Members of the Association have access to a globally-versed team of

Katrin Karoui

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Katrin Karoui
Präsidentin

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**Protective Association
for Entrepreneurs,
Top Managers and
Boards of Directors**

45 Years of Risk Management Consulting

Safeguarding the Enterprise

LWS Firmengruppe

■ In 1960, Lothar W. Schenk (LWS) seized an idea to find ways for safeguarding the wealth and the earnings ability of business establishments for many years, even over the course of generations.

Information is Key

A scientific study conducted by LWS revealed that sizable assets of noble- and merchant-families endured the course of time over centuries, even to this day. LWS sees the reason for this persistence of maintaining the business in their cosmopolitanism and the methodical early detection of existentially threatening risks, coupled with a high degree of flexibility to adapt early enough to a constantly changing political and economic environment.

LWS Mission

Asset Security Consulting for Business Enterprises and Institutional Wealth Portfolios
Total Quality Management (TQM)

LWS Consulting Partner

First and foremost, LWS Consultants are risk experts specialized in the early detection of existentially threatening enterprise risks. LWS Consultants identify existentially threatening asset- and liability risks, management related enterprise risks, reputational risks, insolvency risks, tax impacts,

and existentially threatening loss of wealth as a result of exposure to competition. Early risk detection enables the effective execution of counter measures. As risk analysts and security experts, LWS Consultants are also project leaders for the implementation of security measures.

References

The LWS Group has evolved into a leading consulting business. LWS Consultants are involved in assignments with leading car manufacturers, such as VW, Audi, Ford, Renault and Honda. Consulting engagements are further carried out in the pharmaceutical industry (Sanofi Aventis), the textile industry (Anita International), the electronics industry (Sony Electronics, Burgmann Industries), as well as the building and construction industry. Insurance companies and medium-sized enterprises in various trade branches have become long-standing business partners.

The LWS Risk Control Corporation, situated in the United States, is a company closely linked with LWS Risk Management Consult GmbH (a limited liability company). The company conducts risk consulting for large multinational concerns..

Daniel B. Schenk



Daniel B. Schenk MBA
Consultant Partner

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Everything under One Umbrella
Everything from a Single Source



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LWS Industrie-Assekuranz GmbH

Hazards and Risks Entrepreneurial Protection

Despite entrepreneurial due diligence, existentially threatening risks evolve by nature of commercial activity and, as a consequence, have to be identified and controlled.

■ Business entrepreneurs are obligated to record and quantify existentially threatening risks. They decide which risks the enterprise retains and in which functional areas of the enterprise a risk transfer is absolutely essential.

LWS Risk Map

LWS Consultants with professional competence compile a Risk Map for Top Managers, which constitutes a concentrated depiction of existentially threatening entrepreneurial risks. The LWS Risk Map is a working tool for the continuous monitoring and budget-priced structuring of entrepreneurial insurance covers.

Know-How

The LWS Industrie-Assekuranz GmbH is an independent industrial insurance broker. LWS is accredited with Lloyd's of London.

This insurance exchange enables product benchmarking, whereby fitting insurance and reinsurance instruments can be selected for commerce and industry.

40 years of experience have enabled intercompany comparisons in the area of risk and claims management and put LWS Industrie-Assekuranz GmbH in a position of having developed optimal concepts for enterprises of any size, i.e. from the one-man business to the globally operating multinational.

The experienced LWS Risk Experts consult enterprises worldwide. By conducting regular reviews of the risk situation and updating the Risk Map they assure the proper controlling of all existentially threatening entrepreneurial risks.

By developing tailor-made insurance concepts, an insurance architecture is created which assures existential security for the enterprise. Limiting the insurance protection to core risks enables cost-saving insurance cover, with full indemnification for covered risks that trigger a loss event.

Katrin Karoui



LWS Risk Management Consult GmbH

Safeguarding Products Industrial Risk Research

The LWS Risk Research Lab was established to identify product- and sales risks, product development risks as well as other existentially threatening risks.

■ Advancing automation and global interconnectedness create strongly increasing risk potentials among the industries. The risks inherent in the systems must be added to the equation of enterprise planning. Many products can only be developed if the inherent risks can be controlled or minimized at tolerable cost levels.

The LWS Risk Management Consult GmbH is engaged in industrial risk research as well as the assessment of existentially threatening entrepreneurial risks and measures towards risk control.

On the basis of a risk assessment, the following consulting services are provided:

- Operative risk consulting
- Product- and systems benchmarking
- Quality Risk Management

The core competencies of the LWS Risk Consultant extend to:

- Quality analyses for the costs of risk
- Risk consulting for product development and marketing
- Entrepreneurial Risk Balance Sheets
- Risk prevention
- Risk project management
- Claims management

The LWS Benchmark Consultants conduct research in the LWS Risk Research Lab, develop sales forecasts, calculate market penetration of products and design measurement processes for product comparisons.

The LWS Quality Consultants arrange the setup of quality control systems according to DIN ISO 9000 ff, establish conformity analyses for the entrepreneurial quality control management and optimize existing QM-systems towards Total Quality Management (TQM).

Putting TQM into practice for Top Managers is based on the proven Wendelstein Modell (Wendelstein Model) developed by LWS.

The independent Expert Consultants are closely linked with the LWS Risk Management Consult GmbH. An LWS Consultant Partner must provide evidence of two successfully completed professional educational accreditations with practical relevance and self-reliant leadership experience.

The LWS Risk Control Corporation in the United States, a conjunct partner, provides the same consulting services for North- and South America.

Dr. Arnd Friedrichs



Dr. Dipl.-Ing. Arnd Friedrichs
Consultant Partner
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LWS Unternehmensberatung GmbH

Single Source Comprehensive Enterprise Consulting

Information processing – needed foundation for entrepreneurial decision making

■ Increasingly complex entrepreneurial processes with global interconnectedness demand interdisciplinary consulting services. Consulting advice which encompasses all functional areas enables consultants to be actively involved in the implementation of consulting results. The LWS Consultants have positioned themselves towards this development and have built up an operative project management.

The LWS Consultants ascertain weak points, offer solutions and implement the same. To remove weak links, LWS draws on first-grade specialists. Accordingly, record performance is warranted.

Entrepreneurial Financing

In the area of mergers and acquisitions (M&A's), LWS Consultants are moving towards new ground. It is the understanding of LWS that the realm of M&A's incorporates the endowment of capital via own resources, loans and credit in lieu of capital.

Credit instruments are valued equivalent to capital shareholdings. The LWS Financial Consultants secure carefully balanced sources of credit and shareholdings, optimize the owners' equity and improve the financing structure of the enterprise. The procurement of funds is set on

the basis of qualified market comparisons.

In case of the sale of an enterprise to third parties, the benefit to the buyer is determined and the sales price set accordingly.

Project Management

LWS has a highly qualified project management at its disposal. Projects, which are not part of the ordinary course of business, are outsourced to general contractors or project managers. The project management team is a task force qualified to handle any kind of special areas and assignments for a client-enterprise.

IT-Supported Consulting Info-Management

Robert Stohr, Dipl.-Betriebsw. (MBA equiv.), General Manager, looks after the data integration of all consulting results for the contracting client-enterprise.

Top Managers are qualified by LWS through advanced training programs. By conducting a leadership audit, weak points are identified and counterbalanced through individualized information programs. Leadership coaching is effected via the Wendelstein Model, developed for Top Managers by LWS.

Lothar W. Schenk

Lothar W. Schenk GmbH & Co. KG

Company Employment Benefit Plans

Pension Funds – Company Pension Schemes – Key Man Provisions

■ For more than four decades, the LWS enterprise services company employment benefit plans, manages pension and benevolent funds and designs pension schemes for executive management. The conceptual design of shareholder-CEO-pension schemes as well as securing the succession of businesses are part of our special professional competencies.

CEO's and Executive Board members are outfitted with comprehensive pension programs. Company pension schemes are economically and fiscally optimized.

The health management for CEO's is arranged according to the Wendelstein Model, developed by LWS. An individualized insurance concept for risk of illness, disability and need of care is drafted. In order to maintain and secure performance, the accredited sports scientists engaged by LWS develop personalized preventive-care models.

LWS consultants are experienced conflict consultants and mediators. In this respect, regular workshops are held within the framework of the Wendelstein Model.

Retirement provisions and survivor benefits are guaranteed through special savings plans, qualified asset management consulting and secu-

ring personal assets against liability exposures. An additional element of the LWS security consulting service is safeguarding the continuous flow of earnings.

LWS regularly conducts product benchmarking for cash-value life insurance policies and the related capital investments offered in the market. Capital investments are assessed based on the security of their profitability and wealth accumulation, followed by subsequent installation of safeguards, as appropriate.

By drawing on specialist solicitors in inheritance law, well-founded consulting towards drafting adequate wills and contracts of inheritance is possible.

Personal safety provisions and measures to protect personal assets are developed at highest security standards and implemented by the LWS experts.

LWS acts as trustee for the administration of assets and assumes entrepreneurial trusteeship for enterprise security within the framework of time management.

Christine Hausner



Christine Hausner I.R.M.
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**Compensation Provisions
Retirement Provisions
and Survivor Benefits**



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LWS PUBLISHERS Ltd.

Communication Platform For Risk Strategists

■ LWS risk management consulting assists Top Managers in identifying existentially threatening risks at an early stage and to take appropriate preventive measures. LWS PUBLISHERS Ltd. supports the enterprise consulting services through risk management publications.

Additionally, the publisher is engaged in consulting services for industrial enterprises with their publicity campaigns. The consulting services extend to the assessment of the effectiveness of publicity campaigns, the development of trademarks and optimizing of campaign processes. The effective use of advertising media is analyzed in particular.

LWS PUBLISHERS Ltd. compares the benchmarking costs and the effect of advertising campaigns for LWS clients against the clients' competition. Media consultants of the publisher follow along the creation of a trademark to its successful launch. The publisher makes sure that the trademark rights are secured in timely fashion.

LWS PUBLISHERS Ltd. offers graphic design consulting. During a conformity assessment, the media consultants determine the degree the graphic layout coincides with the intended advertising message. The graphic design of existing advertising resources is optimized by presenting Top Management with comparative graphics. In addition,

a Corporate Identity for all publicity measures is configured.

The publications of LWS PUBLISHERS Ltd. are geared towards the information requirements of Top Managers. Books, essays, scripts about risk phenomena and industrial risk management are prepared in such a way as to provide Top Management with extracts of essential information.

In-house publications, company magazines and image brochures are planned in a concerted effort between LWS PUBLISHERS Ltd. consultants and Top Managers. LWS PUBLISHERS Ltd. assumes the responsibility for writing, graphic design, copy-editing and distribution. The distribution is effected via sales-volume-driven promotion.

LWS media consultants conduct a compendious revision of the advertising budget. They then establish the advertising schedules, advertising costs and service costing together with Top Management. Accordingly, advertising becomes cost-transparent and calculable. Having media campaigns handled by LWS PUBLISHERS Ltd. empirically results in substantial cost savings.

Esther Schenk-Panic´



Schenk & Associates, PLC Counsellors at Law

International Commercial Law

■ The law offices of Schenk & Associates, PLC Counsellors at Law place their headquarters in Miami, Florida, U.S.A. The principal areas of consulting are international commercial law, commercial legal protection, commercial real estate law, IT- and commercial trademark rights. Company establishments, mergers and acquisitions as well as permanent residency permits are part of the commercial consulting services offered.

The attorneys of the joint practice possess well-grounded consulting experience with commercial construction projects, the consolidation of joint ventures and advising real estate developers and general contractors. They advise enterprises in the pharmaceutical industry, car manufacturers and associated sub-contractors as well as in the electronics industry. A special area of expertise is the legal survivor settlement of management successions.

The law offices are involved in consulting engagements

in North and South America, in the European Economic Community (EEC), China, Thailand and India. In Germany, the law offices are represented by attorney Seniz Misirlioglu, situated in Berlin.

The orientation of the joint practice towards international commercial law is made possible through a multilingual attorney staff. As such, the German, French, Spanish, Russian, Turkish and English languages are well represented. As part of the consulting principles of Schenk & Associates, PLC, clients are encouraged to demand evidence of the legal consultant's qualifications, experience and expertise regarding the matter brought forward. Before a consulting assignment is issued, relevant information material is provided free of charge. Attorneys of the joint partnership are admitted in various US states and in Germany.

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Elite Coaching

The Wendelstein Model

■ The Wendelstein Model embodies the construct of an ideal risk-preventing Top Manager. Completely altered environmental conditions in the era of information technology demand a reshaping of work and leisure. Symbiotic communities are headed for change. Exclusively personal risk prevention has become a matter of survival.

The LWS Risk Research Lab conducts research on hidden environmental risks for leaders of capitalistic organizations. A comparison of German and American Top Managers has revealed significant risks in the area of health management. The preservation of physical and mental performance requires coaching. The mortality risk of German Top Managers greatly surpasses the same risk their American counterparts are exposed to. As long as it remains undetected, the Top Manager will suffer performance inefficiency, early disability and infarction as a result of non-ergonomic sitting at the desk, negative walking motion, improper footwear and unqualified fitness training.



For the LWS Risk Research Lab, accredited sports scientists with specialization in the areas of prevention, rehabilitation and sports medicine have developed practicable procedures to identify significant damage potential resulting from negative body reactions caused by extended sitting behind a desk or in a car as well as by negative walking motion. Through the use of specially designed posture-analysis-instruments, on-site inspections of the posture profile of Top Managers are carried out, enabling a personalized correction of negative variations. This is achieved by adjusting chairs, footwear and correcting the walking motion of the person concerned. By using these techniques, the Top Manager can practice risk management for the preservation of his health.

The LWS Wendelstein Model helps to identify risk in the personal realms.

Dr. Steffen Adler
Accredited sports scientist



Wendelstein Model

Top Managers live in a totally changed leadership environment. A transformed entrepreneurial habitat requires a reorganization of symbiotic communities, such as marriage and partnerships, the redesign of work environments, active health management and qualified risk management. The ideal habitat for Top Managers will be shaped in 2010 under the auspices of the Wendelstein Model.

Inquiries under ID-number 100-0005

Entrepreneurial Risk Balance Sheet

The Entrepreneurial Risk Balance Sheet is a reporting of risks which acutely threaten the company assets. The risk potentials are quantified and contrasted with risk control measures using a balance sheet methodology. Risk transfers are recorded in the cost-of-risk calculation. Threatening risks are inventoried via a Risk Map.

Inquiries under ID-number 101-0005

Product Benchmarking

Benchmarks can be configured for business operating systems, production costs, sales systems, business organizations, as well as for products and services. Product benchmarking for the car industry has been successfully introduced by LWS Consulting. Engineers are developing measuring devices which enable in-depth comparisons, and which provide valuable information to product developers. The so-called KFS-process, designed by the LWS development team, is applied to evaluate customer requirements, comfort characteristics and product acceptance.

Inquiries under ID-number 102-0005

Jogging, Jogging, Jogging

Only proper jogging ensures fitness. By using special sensors, the accredited LWS sports scientists can measure the motion of the spinal column during the jogging process, the necessary footwear for correct positioning and the optimal seating and walking posture. Energy gain through improved sitting, walking and resting.

Inquiries under ID-number 103-0005

Cash Value Life Insurance

Cash value and annuity life insurance policies are savings plans with insurance protection. Yield and profitability of these instruments can be calculated. The LWS product benchmarking also provides comparison of yields (input-output). It is important to know what you will receive for your contributed monies. Request a calculation. **Inquiries under ID-number 111-0005**

D&O Liability Down to Personal Assets

Top Managers are publicly denounced as corporate raiders and profit-skimming industry bosses; this not without influence on the prosecution exposure to Top Managers. D&O cases have thus far been treated rather casually by the courts, with minor penalties, mostly let off with probation. We see a significant rise in D&O trials and tightening sanctions. Insurance indemnifications are limited and often not enforceable. We recommend security measures.

Inquiries under ID-number 112-0005

DF Health Management

Sitting on the same chair behind your desk or in front of a computer for a whole day, or even a few hours, will inadvertently lead to acute energy loss and irreparable body damage. Improper footwear and incorrect walking cause fatigue and further damage the body. The person concerned becomes aware of the damage only when it is too late. Our accredited sports scientists will come to you directly, using LWS sensors and electric seat mats to measure your seat, your motion-sequence as well as the motion of your spinal column and adjust your chair and footwear to your body posture. The quality of your life is significantly improved.

Inquiries under ID-number 115-0005

Testament for Company Succession

Company succession should be regulated as soon as possible through succession agreements and testaments. However, interpreting these instruments in case of succession leaves a lot to be desired and often leads to disputes. In a testament for company succession the testator puts down his perceptions about the continuing development of his enterprise as well as the sensible utilization of his assets. By using a business plan, the succession can be depicted even better.

Inquiries under ID-number 116-0005

LWS Organic Honey

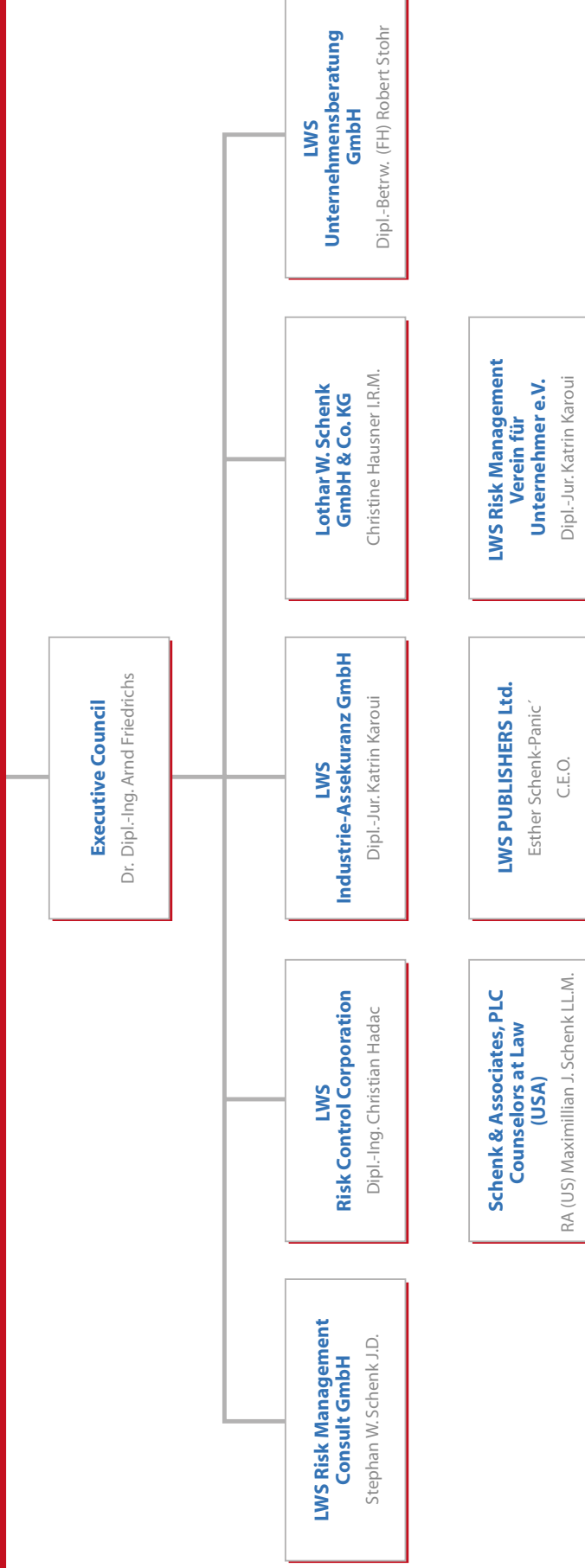
Naturally treated honey is examined in the LWS Risk Research Lab. Many beekeepers (apiculturists) can operate apiculture on an organic basis. However, no one can dictate to bees what and where to collect. For example, bees are inserted in contaminated areas to find out the extent of contamination. Bees collect contaminants from waste-, and waste collection sites, even from the paint-coats of residential buildings. You can purchase samples of clean honey from our in-house apiary.

Inquiries under ID-number 132-0005

Please send inquiries with the ID-number reference via e-mail to sensor@lwsgroup.com – Many thanks.

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