

## INTERVIEW WITH SHARON GOODWILL

# HOW MANAGING RISK IS REWARDING



### SHARON IN'UTU GOODWILL

*Risk Management Professional –  
Enterprise & Operational Risk Consultant;  
Environmental Social Governance(ESG)  
Specialist; Risk Management Trainer*

With over 16 years industry experience in UK's Local Authority; Rail Transportation and Financial Payments Industries. Held various risk management positions at Network Rail an infrastructure manager of most of the railway network in Great Britain. Worked on various infrastructure projects including the London Kings Cross station Refurbishment, London 2012 Olympics Infrastructure project. As Enterprise Risk Manager supporting the implementation of the Enterprise Risk Management Framework and Policy across the organization.

Later joined financial payments industry through PayUK who run the UK's retail payments operations, which includes the Bacs Payment System, the Faster Payment System and the Image Clearing System as Enterprise Risk Manager. Then moved to Mastercard leading as technical lead implementing a Risk and Controls Self Assessment (RCSA) processes for Technology Risk within Mastercard.

**ZGSC:** Good Morning Sharon and thank you for taking time to speak with us today. Please can you briefly introduce yourself and tell us about your background and professional experience?

**SG:** I am a Risk Management Consultant. At the moment I am with the Institute of Risk Management of Zambia, as the Research and Training Director. My professional experience and background really has been within the public and private sector including financial payment industries in the UK before I came to Zambia.

So I have been practicing risk management for over 16 years now.

**ZGSC:** What initially drew you to the field of risk management and what keeps you passionate about it?

**SG:** What drew me to the profession? I accepted a challenge. Before going into risk, my background was in information systems and education.

I was working for Network rail as project lead on a Change Transformation project, when I was challenged by the delivery team about the impact of change programmes on users.

So I thought about how I could get into live projects, like a really hands-on project, you know. So that's how I came across an offer to be a risk analyst for infrastructure projects. And that's how I came into risk management. And of course, you get various certifications as you progress within the role.

In terms of what keeps me in it, like I said, I've been doing it for 16 years. So what keeps me going, the evolving changes and the

uncertainties that you see, risk management is about preparing for the changes and dealing with the uncertainties that happen, even in regular life.

Life is constantly changing. And with that change comes risk. It can be positive or negative risk.

So there's always something new within risk management that I've been progressing over the years. I think that's what keeps me in the profession.

**ZGSC:** What areas of risk are commonly overlooked by businesses? And can you highlight something Zambian companies typically overlook.

**SG:** Look, it can be quite generic for most companies, most businesses in Zambia, are traders, whether it's a small business or a big organization, mostly there's a lot of trading that goes on. My observation has been how we overlook the supply chain risk.

We are highly dependent on the whole supply chain mechanism to work properly, but very few business pay attention to what happens outside of their business entity, you need to pay attention to what happens upstream or downstream.

So to understand supply chain risk, you have to have that holistic view in terms of what is happening upstream or downstream. For example, if we just take a typical trader, importing goods from abroad, how often do they think about the production lines of their manufacturers, raw material or even logistics.

Remember, when COVID started happening we did not pay enough attention, when it was only in China, yet China is one of the main sources of goods for Zambian businesses. Yes,



people were aware that this is what is happening but not paying enough attention to potential risk in the supply chain. Then China says it's shutting down and it had a negative affect on Zambian businesses.

Through Risk Management practices, businesses can perform something called

Scenario analysis, where you think about different scenarios and consider the outcomes and impact on your business. Its really about asking "what if A or B happened?" And considering what directions your business would take. What happens if I don't have this raw material that I depend on for three, four days? You know, what will happen to my business?

But the thing about this practice is, we work with uncertainties which is, "what if", people tend to brush it off.

And that's what brings us to, another technique that we use which is about lessons learned, if something happens, that is extreme, how do we learn from it? how do we improve? How are we going to perform?. Going forward, if a similar scenario happens, how am I going to change my business strategy to survive?

Also, looking upstream, think about the materials that you're producing in terms of quality of goods and performance on the market. So I think supply chain risk is one key risk that Zambian businesses need to start paying attention to.

**ZGSC: Okay, you have raised an interesting point, about Zambia being dependent on other countries in supply chain. There are some excellent Zambian transport companies, and they are growing so Zambia is taking more control of that market so we are not as dependent on other countries for road transport as we were in the past.**

**But if you think of in terms of shipping and air freight, Zambia doesn't have enough businesses in the country that own ships or aircraft. So if something happens, in other countries, especially with somewhere like Russia or China, those are the countries that own the ships and containers. If there's an issue, you know, Zambia can't say, we have our solutions. We are completely at the mercy of those international companies.**

**ZGSC: How do the risk landscapes in Zambia differ from other regions or other countries?**

**SG:** I think with the difference in risk landscapes that I've come across abroad compared to the Zambian risk landscape is the ability to look at risks in a systemic way across the ecosystem, across different industries, i.e., the impact from with the transport and logistics industry on the manufacturing industry. Most risk landscapes in other countries tend look at risk across ecosystem they operate in. A good example is when this load shedding started happening, I was asking different organizations and companies if they had considered "the national grid failure" as a risk before the load shedding started, very few had it in their risk registers.

Currently, the energy sector is dealing with the issue of Zesco, and that is having a knock on effect on the telecoms industries and in turn



affecting SME's who depend on mobile money transactions. This is a typical example of an ecosystem risk or systemic risk that we talk about in risk management.

**ZGSC: Can you provide an example of how a local business can navigate some of the significant global risks?**

**SG:** If we continue with the issues from load shedding is a typical example of the impacts of climate change. So if we just take that scenario, businesses need to be constantly scanning their operating environment and as well as look at what may be coming on the horizon. There are a lot of information and publications on global risks for example the World Economic Forum produces the world global report on global risks that could be a good data source for businesses.

Integrating risk management during the business planning stages can help you to prepare for major risk events. Performing those scenarios, I was talking about, on what is in "main stream", publications and business forums, can help you navigate risks should they materialise, keep your ear to the ground. So should significant global risk materialise, they become issues that you need to manage. And, if you had your risk mitigation planning right, you would have what we call Business Continuity/Disaster recovery plans that will help your business.

It is also a good practice to review and test your plans and controls on a regular basis.

So my advice is to keep yourself well informed, there's so much information at your fingertips right now. You just have to Google, and research developments in the use of AI you can start asking things like CHAT GPT questions about upcoming risk trends in your industries.

What are people talking about? use social media in a more productive way, where you're learning and knowing what's happening on the horizon.

**ZGSC: Good point. You mentioned using social media for its benefits. But what are the new risks involved with this for example fake news?**

**SG:** You just have to do the research as well.

It's about that validation. Because like you said, the risk of fake news has really increased, also the use of AI imaging and voice modification, use credible sources for your information. Like I mentioned, about when you look at that World Economic Forum report that they do have, "misinformation" as one of the global risks that they're worried about.

So we should be mindful, especially with AI in terms of what is possible, just from these voices, our voices can be manipulated and we can be saying something else. So always validate and check the facts. You always need that secondary data. When you're doing any kind of research, you just don't go on the first set of thing.

**ZGSC: Let's get a little bit more specific now. I know you come from a professional background where compliance was a lot more, let's say, critical than it has been in the past in Zambia. But now compliance is becoming a very important issue for companies in Zambia, especially now that our technology is catching up with the rest of the world. Things are being exposed when companies are not compliant. What would you say are critical compliance risks for companies operating in Zambia? And how can they start to manage these?**

**SG:** Most Regulatory requirements can be found in the Companies Act like relating to corporate governance, shareholders and transparency and reporting, social media has given people (employees) a voice, where they can lobby for regulators to enforce compliance on a more regular basis now.

So, looking at those areas that relate to our workforce like Social Contributions like NHIMA, NAPSA, safe and ethical work practices are gaining traction in Zambia.

As a business, you need to pay attention to the new policies that are also in the pipeline like those relating to Green Economy which will start to look at the impact of how business operations affect the environment, such as waste management, carbon emissions, water usage may come into play so as business you need to start preparations because of investor interest



around those areas.

Also as the use of technology continues to grow in Zambia, be mindful of the Cyber Security and Cyber Crimes Act as well.

**ZGSC: How do economic fluctuations influence risk management practices and what strategies can businesses use to mitigate risks associated with economic or political change?**

**SG:** Political risk is always an interesting one for most organisations, not just in Zambia but around the world, because it's one area that's constantly changing, regardless of country you operate in. There are a lot of areas an organisation can look at, we all know every five years there will be general elections so I would advise businesses to pay attention to all the different parties and their agendas and mandate; What policies will they come with that might affect your business operations? Start performing scenario analysis on the possibilities of each of the parties winning so you know which direction you will take when whoever wins.

Start early enough to start positioning your business to suit the political changes, building relationships and synergies that can help and support changes in policies that may affect your businesses. If your business relies on government contracts and tenders, ensure that you have the right contracts in place and follow the correct process so you don't get caught out if there are changes in the administration. Yet again, think about the opportunities that also come with that change.

**ZGSC: Excellent. And that would obviously apply well to smaller companies, if they know that their biggest customer is with a company that relies on government contracts, then they should also be prepared for that knock-on effect.**

**SG:** I agree, it's about Third / Vendor risk management and looking at things in a systemic way across that ecosystem I spoke about. Think about how your small business can be resilient during adverse times. Look, New policies or changes to policies do not always have a negative impact they can bring opportunities for business diversification and growth. For example, the Green Economy has brought huge innovative ideas around sustainability such as green energy, carbon trading and green agriculture. So as an SME have that appetite to explore new ideas and ventures, when you hear happening around you try to be ahead of the game in terms of looking at how government works.

**ZGSC: Thank you very much, Sharon. Okay, so let's move on to technology. With the rise of digital transformation, what are the primary digital risks facing Zambian businesses that they should be aware of?**

**SG:** Yeah, this is really a good one. I believe Zambia still has digital inequality going on, we're still focusing on how to reduce that divide. We also have underdeveloped technological infrastructure as a country. So the technology is



moving faster than we can cope with in terms of the infrastructure to support it. We need to find a way of increasing that pace on developing both IT infrastructure and the skills set to support the growth. I have a background in the payments industry and the growth in that industry has been really fast and it is still continuing. So, building a skilled workforce is always a key objective whether it be via attracting talent or upskilling the existing workforce. I believe Zambia is still quite behind on investing in IT staff and skills.

We are also still behind on how to regulate the digital industry; new businesses have digital processes and equipment that may be foreign to our regulators. Zambia is a growing economy and sadly the digital age isn't waiting for us. AI is slowly taking over business practices around the world including Zambia, businesses need to start preparing themselves on how they can integrate with AI.

Another point is about the cost of connectivity, staying connected requires equipment which comes at a cost that can be too high for small business.

**ZGSC: Do you think like this digitization could now start leaving smaller Zambian businesses behind?**

**For example, there's a mechanic who's very well known in an area, and has good business through word of mouth recommendations. Let's say, a franchise company has come in and they use internet advertising and push marketing with a large budget. A potential customer is not asking the community where the best place is, now people rely on what their phone recommends. So because of digital development, could the small Zambian businesses be at risk?**

**SG:** Yes, definitely. Some businesses are being left behind, in terms of serving customers and understanding customer trends. For example, look at what happened in the advertising space, and influencers effect on advertising. Business are using influencers to advertise their goods or

services rather than an advertising company.

In the mechanics scenario he has also been impacted by the risk of high cost of equipment so to navigate such an event, I would find a gap in the competitors services and fill it, or specialize in a particular model of car and ensure my customer relationship becomes a priority for my business. So for small businesses to survive in such a competitive world, I would say, be diverse, study consumer trends and look for gaps in the markets. Don't sell tomatoes because everybody is selling tomatoes. Mostly be consistent on the quality for service you provide.

**ZGSC: Can you share an example where risk management expertise significantly impacted a company's operations or outcomes?**

**SG:** I work a lot with community initiatives, so my example will be on smallholder farmers. In order to mitigate the risk of poor crop production the government provided funding, seed and fertilizer to the farmers in Zambia. Then we had a drought, one risk that was overlooked by a lot of the farmers very few opted to plant drought-resilient crops because of poor price performance in the previous year. The risk of drought, has happened and the outcome that we're dealing with now is hunger because the crop has been lost. I know we can say drought does not happen every year but my point is we had the tendency of not really learning the lesson.

Farmers planted maize again without diversifying. The government played its part to mitigate the risk around crop production while farmers did not consider the effects of climate change and didn't consider irrigation methods, crop diversification etc.

As a result we now have a hunger crisis. Risk Management helps to identify various risks and teaches us to also learn from the past through lessons learnt practices, data collation and trend analysis. So it's about learning from the past, collecting the data, and how do we prevent this in the future?





**ZGSC:** What emerging risks do you see for businesses in Zambia in the next five to ten years? And how should companies be preparing for that?

**SG:** I think we've covered some already, but we'll just touch on it quickly. The rapid rate of growth of the digitalisation, plan for investments in digital equipment, study business trends within your industry as well as customer preferences on the use of technology; The use of AI in business practices – review your business processes understand where you may need to interact or integrate AI to support your business. Understand your ESG risks as reporting on them is slowly becoming a mandatory requirement for most investors.

Think about waste management, air pollution, carbon emissions. Another thing that I believe will have a major impact on business practices in Zambia is the Africa Free Trade Agreement. Yet, I hardly hear about businesses preparing for it, this will open Zambia for trade from business from countries that are ahead of Zambia digitally who will enhance customer expectations. How can a business prepare for that? We need to start thinking more globally than locally, think about your value add to the supply chain and the ecosystem. Think about how you will handle competition become more innovative. So I think businesses need to start paying attention and thinking about the risks and opportunities that come with that trade agreement, because it is going to reshape African Commerce.

**ZGSC:** Be ready to compete.

**SG:** Yes, how are we going to compete? I think those are the conversations that need to start happening in the Zambian business environment. We need to be ready to learn and act fast. It will take a change of mindset and having that culture that is quite risk aware; from a negative point of view, be prepared to be resilient; then from a positive point of view, look for the opportunities and become more innovative.

**ZGSC:** What do you think is the number one risk factor that businesses in Zambia overlook? The one thing that you've noticed nobody is paying attention to, but they definitely should be.

**SG:** It's about reputation risk. I think that's something that's really being overlooked here, risk to your reputation.

**ZGSC:** Excellent I think reputational risk is a great point, I can think off the top of my head, four or five examples where companies could have protected their reputation at a very low cost, but they chose not to, and it had huge consequences for them.

**SG:** Yes reputational risk goes across all businesses. Businesses need to care about their reputation especially when it comes to service delivery which is what normally causes reputational damage for most organisations. Even when trade agreements come into play, does your business hold a good reputation for other international business to trade with you? One factor that comes to mind is attracting young investors who really care about their reputation because of Social media.

**ZGSC:** Can you advise our readers, where are the best places to stay updated on the latest trends and developments in risk management? Are there any websites or magazines that you would recommend?

**SG:** There are quite a lot, but my favourite at the moment is UN sustainability website, it has a lot of publications that they share as well as some free training. You'd be surprised at how much, because the UN has put in so much, especially around climate change and sustainability. I spend my time there to see what is coming up, because at the end of the day, they formulate a lot of policies that are become global policies. I've already mentioned the World Economic Forum

for global risks. I would suggest on expanding your network internationally via LinkedIn, follow different forums outside your normal business for ideas and that innovation I have mentioned.

I use local networks in Zambia and this is one thing that has been so encouraging for me. It's like, risk has become a topic on different tables, which wasn't there a while back, but people are talking a lot about risk. There is an Institute of Risk Management for Zambia, they have a web page, a LinkedIn page as well as a Whats App group. They host an annual risk conference where Zambian Risk professionals network, look at current risks and trends and discuss the future of the profession in Zambia.

**ZGSC:** Thank you very much, Sharon. It's been very interesting for me, especially things like Reputational risk and the social elements that have been mentioned, this is something that affects the bottom line every day, for every company.

**SG:** Yes, I think most organizations sometimes forget the people, you know, in terms of the people, will determine the risk culture in the organization. And I think there's a saying out there, culture eats strategy for breakfast. So if your risk culture is very poor within the organization, your strategy will not go anywhere.

**ZGSC:** Do you have any concluding thoughts, any final things you would like to add?

**SG:** Yes, I think, I have two things. You know how when you go to a bank and they say, know your customers, they have this KYC form?

I normally tell businesses to not only KYC but to also KYB, Know Your Business. Know your business environment; trends and market position and also KYR Know Your Risks and how you're going to mitigate those risks.

**ZGSC:** Thank you very much Sharon. We do really appreciate it your time and insight.