

## Risk Management and ISO 31000 in Germany

Interview conducted for isotc262.  
with

**Prof. Dr. Udo Weis, Chairman of DIN  
NA 175-00-04 AA, the German mirror  
committee to ISO/TC 262**



Prof. Dr. Udo Weis was trained as a chemist and later earned a MBA in international business. After working for over 15 years in industry, mostly for the electro technical company ABB as vice president for HSE and sustainability, he joined SRH University Heidelberg Heidelberg as a professor for business engineering. He is currently director of the Steinbeis Institute International business and Risk Management in Heidelberg, Germany and CEO of IFNEK GmbH. Prof. Weis has worked for over 25 years in several national and international standardization committees.

isotc262.org: *Prof. Weis you are the chairman of DIN NA 175-00-04 AA, the German mirror committee to TC 262. Can you briefly introduce DIN, Deutsches Institut für Normung e.V., your national standardization organization in Germany, please?*

**Prof. Weis:** DIN is a privately organized non-profit provider of standardization services with nearly 100 years' experience. More than 32,000 external experts from industry, research, consumer protection and the public sector come together at DIN to develop market-oriented standards and specifications that promote global trade and innovations, assure efficiency and quality, and help protect the environment and society as a whole. More than 70 % of its financing comes from the sales of standards and other technical publications and services offered by Beuth Verlag who is responsible to publish DIN and ISO standards in Germany. Other sources include project funds from industry, public funding and membership fees. In Germany standardization is a form of self-regulation by industry.

isotc262.org: *DIN did not adopt ISO 31000 as a national standard – what were the reasons and what does this mean for German organizations operating nationally and for those operating globally?*

**Prof. Weis:** DIN's nearly 100 years' experience is based on several principles. For example, DIN tries to integrate all stakeholders into a consensual consensus in the decisions. On the other hand, DIN's work also means that no decision can be taken against the explicit will of a stakeholder. Thus, each stakeholder has a veto right.

When the decision was taken whether to adopt ISO 31000 as a German standard, two stakeholder groups raised concerns.

One group objecting was the group were the occupational safety representatives. One must be aware that occupational health and safety regulations in Germany have a tradition of more than 130 years with a system of self-administration of the enterprises, thus independent from government or other norms. There was concern that ISO 31000 might adversely affect the self-administration.

Also, the environmentalists vetoed. They feared that the wording "Selecting the most appropriate risk treatment option involves balancing the costs and efforts of implementation against the benefits derived, with regard to legal, regulatory, and other requirements such as social protection and the protection of the natural Environment" would allow balancing to take place. It should be borne in mind that there are clear limits in the German environmental legislation. There was fear of opening the gates for subordination of environmental protection under financial conditions.

A similar discussion had already taken place when considering the adoption of the ISO 14000 series. In that case the industry saw advantages and a consensus formed for adoption. There was no comparable lobby for the risk management standard and therefore it was not adopted.

isotc262.org: *What is the basis for risk management in Germany and what is its impact?*

**Prof. Weis:** Risk management really has a broad basis in Germany. In particular, in the KonTraG, a framework law is in force, which obliges companies to assess, record, report, monitor and treat risks. In addition, the annual report of financial statements is a requirement by the tax and financial legislation. Accounting rules and other statutory regulations oblige almost every company to manage risk.

isotc262.org: *Who are the key stakeholders of risk management in Germany?*

**Prof. Weis:** That is a difficult question. As already indicated, risk management is everywhere – and nowhere.

Traditionally, and especially through the revisions of the management system standards, the protective functions in companies such as environmental protection, occupational health and safety, quality, data protection, etc. are the most active stakeholders of risk management. Risk management has also established itself in individual sectors for example in health and safety, health care and the financial sector. The different sectors often have their own models and rules. Unfortunately, these are specific solutions and lack a more comprehensive or company level approach.

**isotc262.org:** *What are the biggest obstacles for integrating risk management in all organizational activities for managers in Germany?*

**Prof. Weis:** There is a lack of a superordinated understanding of managing risks with specific and partial solutions instead. The nomenclature also plays a role. Contrary to the English-speaking countries, risk is negatively interpreted in the German language and German managers are afraid to deal with the dark side of the business – the risks. It would be easier to overcome these hurdles with formulations such as "positive risk" or "risk and opportunity". An example is given here. For a long time, risk management in the hospital sector was an unloved child. Since it was renamed "patient safety", a noticeable progress is apparent.

**isotc262.org:** *ISO 31000 globally quickly became one of the bestselling and most well recognized standards in ISO. What do you think about the future of the standard – particularly in Germany – and how will it change to adapt to new challenges?*

**Prof. Weis:** I see that the concerns raised by the environmentalists have given way to a more open understanding. One has learned that proactive handling and struggle for the best solution require compromises. The ISO 14000 series is established and environmentalists see the benefits. I expect to see the same with the progress of ISO 45000 for occupational health and safety. However, it should be noted that there is still concern that Germany's strict national limits and established principles should not be softened by ISO 31000. All members in our national mirror committee understand that risk has to be managed within legal and other requirements and want this clarified for all stakeholders.

Another point for me is the realization that the uncertainty continues to rise. Through the Internet of Things (IoT) and the increasing digitalization, we need a new approach to



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manage the challenges of the future and the associated risks. The ISO 31000 family provides the right solutions.

**isotc262.org:** *What advice can you give to interested parties in Germany who want to offer their input to the work of ISO/TC 262 and DIN NA-175-00-04 AA and who should they address?*

**Prof. Weis:** We are very happy to welcome further members to our mirror committee. In particular, insurance companies, the financial sector, internationally operating companies as well as experts from practice are very welcome. In particular, feedback on drafts are necessary support for the working group. Interested persons are invited to contact me directly or via DIN to indicate their desire to cooperate.

**isotc262.org:** **Thank you very much!**

**Prof. Weis:** I hope that in the future a saying will be more widely known: Bad managers manage problems; good managers manage risk.