



STETA: Systems Thinking & Engineering
Technical Alliance
142 Red Fox LN
Bastrop TX 78602-33192

Spring 2011

RE: Academic Partnership

Dear Prospective Academic Partner:

Thank you for your interest in an academic partnership with STETA. The recent spate of catastrophes in 2010 effectively defines the problem facing organizations that want to mature in enterprise risk management (ERM). Organizations must get beyond their current mindset in order to emphasize the more vital issues of motivating, fostering and enabling behaviors that drive right results.

While experienced executives recognize the value of a formal decision structure, Systemkey™ unlocks that experience for the new hire with a robust five-layered decision framework. The two most widely known ERM models {COSO, CAS} are both set up from a governance, compliance and audit perspective, meaning they have no engineering heritage, nor do they have any way of coping with the “profits” that never appear on a balance sheet.

Seasoned project managers and business leaders recognize the need for a new perspective in their ERM efforts. STI has developed and field tested a risk analysis and reporting framework to transcend the roadblocks they face. Implementing the Systemkey framework changes behaviors in a durable way.

- it motivated 3,300 people spread across 28 states to make daily safe-driving decisions that collectively resulted in Battelle Pacific Northwest reaching a zero reportables year!
- Systemkey saved GM’s Sparks, NV warehouse \$300K/month
- it shaved a year off the required safety assessment cycle in Navy missile canister development

The Systemkey suite uses innovative data collection and proprietary software to drive conversations about data. It is these conversations that animate the facts and figures. Systemkey delivers a compelling story to provide CEOs/COOs a layered view of the organizational culture. CFOs receive information to reduce volatility thereby lowering their cost of capital.

THE OPPORTUNITY

The Systemkey model is ready to deploy and your institution’s connections makes our collaboration a natural vehicle for exporting *your brand* throughout the \$791 billion global ERM market. These are

premiums paid in 2009, *this is money already spent*. The Towers-Perrin Global Industry survey (Dec 09) reports that 46% are looking for the type of reporting structure Systemkey provides.

While our collaboration can take many forms, my vision is that we mutually add value to provide insights to your students and the academic community that drive innovation forward. I propose three items:

- introduce training on Systemkey to your grad students who could conduct further research and who could contribute to further developing the model
- contribute to academic knowledge and theory development about risk management through publication of research based on member organizations' demonstrable track record of successful Systemkey case studies
- launch of Systemkey onto your market for the mutual benefit of STETA's members and developers.

More detailed information on membership levels is available at <http://systemkey.org/steta/join-us/membership-levels/> or you may call +1 847-227-3006 to speak with a membership advocate. I look forward to welcoming you to our alliance!

Sincerely,

Matthew E. Weilert
STETA Founder