



INCERTITUDE MANAGING - FROM THE CLASSIC RISK TO THE INTELLIGENCE CONCEPT

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Abstract *Our article could be considered, even innovating, through the treated topic. Intelligence theory is a new concept and still less well-known, but less exploited. We assume that it will not be long and will be known, but especially, successfully used, because its core and message are related to the risk, as an element that always lies all over, with or without human will. We rely heavily on the novelty of the subject that is of great interest. However, to better understand the issue, we will go from the known classical risks to correlating the passage from classic to novelty.*

Key words:

Management
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intelligence

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G32, G34

1. INTRODUCTION

Recently, literature suggests that financial stability is a newer term, that has entered in the vocabulary of central banks and with that much newer it is for public opinion. However, it is essential to remember that financial stability is a component of the activity of a central bank, as important as the inflation rate or the exchange rate.

A financial system will work properly if it benefits from a few specific elements, such as:

- financial markets (money market, capital market);
- financial intermediaries (banks, insurance companies);

- financial infrastructure (payment systems, clearing houses).

For these elements to allow efficient allocation of resources in the economy, it is necessary to know the risks that lie on them and the whole system.

But, the evolution and development of human society, new theories of science and information technology have led to important changes and controlled and adaptive transformations on intelligence, especially intelligence processes and systems.

2. THE MAIN SITUATIONS OF RISK

Here are some symptoms that point to the fact that there are specific risk situations: [1]

- slowing economic dynamics (may cause bank losses due to difficulties in repaying of credits or as a result to lower sales or wage decline);

- changes in asset prices (may cause financial losses to investors);

- declining of a sector in the economy, but has monopolized the attention of banks and investors.

"Monitoring of risk situations and financial market infrastructures, generally is a fundamental task of a modern central bank." [5] This implies promoting safety and efficiency objectives in supervising planned or existing systems, evaluating them on the basis of these objectives and inducing changes if necessary. The most common and most significant risks that may arise within systems are: [8]

- **Liquidity risk** - the registration risk of a loss, resulting from the inability of a counterparty or a participant to fulfill its obligations at full maturity, although he / she will still be able to fully meet its obligations at a later stage .

- **Credit risk** - the risk of registration of a loss resulting from the default of the counterparty, or a participant, to fulfilling its obligations in full, neither at maturity, nor at any other time in the future. Credit risk includes the risk of replacement cost and the principal risk. The credit risk ratio is calculated as a proportion of the gross exposure related to loans and classified interest as "doubtful" and "loss" in total, classified loans and interests (excluding off-balance sheet items).

- **Settlement risk (financial risk)**: The risk of loss due to settlement within a system does not

take place as anticipated. This risk may include operational risk, credit risk and liquidity risk.

- **Operational risk** - the risk that deficiencies in computer systems or internal processes, human errors, management failures, or interruptions due to external events may lead to the reduction, deterioration or disruption of service delivery by a financial market infrastructure.

- **Systemic risk** - the risk that a participant's failure to meet its obligations to participate in a system or the financial market may lead to non-fulfillment of the obligations assumed by other participants. This failure to meet obligations may cause significant liquidity or credit problems and may therefore endanger stability or confidence in the financial system.

3. OTHER DISTURBING RISKS

There are other risks that can disrupt the financial-banking system, the functioning of markets, etc., such as:

- **Concentration risk** - the risk of generating systemic risk, caused by the inability of a market share participant to meet its obligations. The relevant threshold for net settlement systems is that the top 5 players register, combined, a share of transactions higher than 80 percent.

- **Replacement cost risk** - The risk of loss arising from the counterparty's failure to complete a transaction at maturity. The resulting exposure is the cost of replacing the original transaction with the current market price. This incapacity may leave the solvable part in an unsecured position or with an

open position, or it may lead to the non-realization of the estimated profits of that position.

- **Custody risk** - the risk of loss of the asset deposited with a sub-custodian as a result of bankruptcy, negligence, fraud, administration or inappropriate registration.

- **Legal risk** - the risk of a loss due to the unforeseen application of the law or other regulations and / or the impossibility of applying the contractual provisions.

- **General business risk** - the risk of loss of the capital due to diminishing income or rising expenditures to such an extent that it requires capital financing of expenditure that exceeds the level of income.

- **Investment risk** - The risk of a loss to the financial market infrastructure manager when investing the assets of the administrator and / or infrastructure participants, eg guarantees related to participation in infrastructure.

- **Risk of the principal** - the risk of a full loss of the financial asset (eg financial instruments or currencies) from a transaction (credit risk). In the settlement process, this risk is associated with asset transactions that present a time difference between finalizing the settlement of the funds and finalizing the settlement of the traded asset (for example, the absence of the "delivery versus payment" mechanism). The primary risk of foreign exchange (foreign exchange risk) settlement is sometimes referred to as the risk of Herstatt.

Some researchers claim that the particularity of the information activity is the volatility of the environment in which it operates, which

inherently implies a lower or greater degree of uncertainty.

At the same time, uncertainty is an objectively correlated concept with the risk of insecurity associated with any form of outcome [6].

Spre deosebire de *risk avoidance*, care impune prevenirea pierderilor, *risk management*, în majoritatea accepțiunilor, privește metodele/mijloacele prin care este gestionată incertitudinea, ca bază majoritară a factorilor de risc.

Unlike risk avoidance, which requires loss prevention, risk management, in most of the concepts, addresses the methods / means by which uncertainty is managed as a major basis for risk factors.

. The close links between security studies and scientific research in the sphere of private activities are revealed by the existence of competitive intelligence outside of which it is difficult to conceive of any applicable strategy in the related area of risk management.

In this context, „the current reality imparts a dynamic character to the competitiveness process, with the companies, having the ability to anticipate the changes, to know the environment in which they operate” [7], as well as analysis and prognosis, transforming the data available in intelligence products into the basis on which strategic decisions are made.

Competitive Intelligence provides the Early Warning on the Threats and Opportunities, and it is the risk management binder in the security sphere, translating through systematic monitoring of a set of specific indicators that provide information on

changes / deviations recorded in the normal, predictable behavior of the opponent.

4. THE INTELLIGENCE CONCEPT - REDEFINING OF KNOWLEDGE AND EXPLOITATION OF INFORMATION

At the stage we are moving, the evolution and development of human society, new theories of science and information technology have led to important changes and controlled and adaptive transformations on intelligence, especially on intelligence processes and systems.

These developments have determined and will lead to mandatory resettlements in open and closed sources of information, so that the increase of information volumes from open sources, but especially their increase in intelligence processes, to unpredictable percentages, shortly after.,

Thus, they have determined corporative or state centers, which have anticipated the valences of using knowledge as a competitive advantage, to undertake extensive and effective measures to reconfigure the way intelligence approaches are approached through new systemic models.

In recent years, the application of modern methods of management of information and knowledge and the development approach through the use of open systems have become determinants of the competitiveness of any organizational entity.

Globally, there has been a shift from geo-political to geo-economic, the state's ability now to manage knowledge at a strategic level to strengthen the public administration, economy, education,

research and social welfare. The emergence of the opening paradigm has led to major reconsiderations by intelligence services regarding the ability to manage an "opening culture" and to capitalize on its results.

Researchers' searches and efforts now involve a conjugation of knowledge and exploitation efforts by designing and managing capabilities comprised of research-development, education and innovation meta-networks linked through partner frameworks at national and global level, on the information space represented by the open sources.

In this context, it would be necessary to redefine the field of information through the concept of intelligence, trying to identify an evolutionary model, expressing its dynamic and systemic vision, in line with the evolution and development of new scientific theories, restructuring the intelligence processes through the theories of theories socially modified social networks, through inevitable interaction with information technologies.

In this respect, the efforts should be directed to conceptualizing and designing a model of intelligence with organizational identity and specificity, on the one hand, it is a prerequisite for integration into NATO and the EU, and on the other hand it is an indispensable premise for competitiveness . Also, to be a successful projection, first of all we need to understand the framework in which we act as local players in the global space.

We need to understand the roles, missions, components and functions of the current intelligence domain and, in particular, to identify and

separate "conceptually" the fundamental and complementary attributes of intelligence activity, seen from a holistic point of view, both at national and organizational level, taking into account that the old principles and processes have begun to be diluted, and today there is no clear distinction between:

a - external and internal; in short, this is a consequence of phenomena related to the emergence of social networks, practically at any level; discursive reference works can be found in this [3]

b - strategic and tactical factor in this respect is the adoption, criticism and extension of OODA [2], PDCA [4] etc. models, It's needed by an parenthesis (some explanations in the alternative).

The PDCA cycle is a method of organizing and conducting management activities, oriented towards continuous improvement of the quality management system. This method of quality improvement was designed and represented graphically by Dr. W. Edwards Deming and is also called the Deming cycle, the Shewhart cycle, or Deming's wheel. The name of the method comes from the English initials of the constituent phases: Plan (P), Do (D), Check (C), Act (A), in translation: planning-making-checking-action. In the SR EN ISO 9001: 2001 standard, clause 0.2, it is mentioned that all processes can be applied to the PDCA methodology. Later, Deming modified the PDCA into the "Plan, Do, Study, Act" (PDSA) because he noticed that the "verification" phase emphasized the inspection of the study.

between:

c - collection and analysis - according to the data of specialists only 10% of the collected information is analyzed, reason enough clear and justified to notice that either we remain prisoners of a classification or we escape in efficiency; the rate of multiplication of information can not be maintained as long as we have adopted the globalization of the information media and the freedom to use it, as well as between information and intelligence - inserting knowledge alongside information would lead to relatively slow effect.

5. CONCLUSIONS

Risk management therefore removes the factors that interfere with the achievement of strategic objectives by creating a mechanism capable of providing a comprehensive radiography of the security environment, by putting into the same equation all interdependent variables in the face of identification of their own vulnerabilities.

At the same time, any organizational approach must take into account the construction of a new intelligence model, starting from concepts and not from the creation of structures and rules, which implies a type of mental map capable of conferring the flexibility required by time adaptation real, from a dynamic competitive environment.

With the "moderator of reaction" represented by competition, however, there is a need for adequate innovation potential, and it no longer allows for the quiet and pleasant life of reducing information activity to information as a product. It is necessary not only information as a

process but information as a means of knowledge and strategic thinking.

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