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RISK CULTURE PROFILING TOOL

CASE STUDY

Extending Risk Thinking and Supporting Business Assurance

Background

This QBE client, a specialist Property and Construction Consultant, requested assistance to identify where risk and quality improvements might be made within its business. With a long-established business assurance model in place, already subject to regular review by independent and reputable assessors and advisors, coupled with an excellent claims history, our work was cut out to identify where there was room for improvement.

Approach

We discussed an approach that would include risk culture profiling across different business units, together with a review of business assurance processes, and also root cause analysis of insurance claims and notifications in support. Conducting the claims and process reviews first enabled us to develop a better understanding of the business before beginning the risk culture review where the following factors applied:

- Selected senior managers in different operating divisions and locations each completed the risk culture profiling exercise, the majority facilitated by a QBE risk manager or consultant. The numerous small groups ensured independence of thought and minimised the likelihood of 'groupthink' influencing the results.
- An analysis and review of all RCPT ratings and comments highlighted the businesses strengths, key differences between locations and where development might be beneficial.
- All findings and ratings against the RCPT evaluations were anonymised, providing a valuable platform for discussion by the management team in a blame-free environment.
- Strengths were debated and stress-tested as much as development areas as a business needs to understand its positives to ensure they are upheld and shared.

Outcomes and Benefits

As expected, feedback from the organisation on its risk culture was generally very positive, with many strengths being identified, and our report enabled these positives to be shared amongst wider management with which to affirm and motivate. The outcomes and benefits can be summarised as follows:

- improved understanding of a wider risk horizon, helping to set the agenda for improving the management of risk
- improved visibility and understanding of areas for potential improvement
- immediate approval to develop and adopt a more formalised risk assessment / monitoring process
- despite a weighting very much in favour of the positives, the recommendations and plan of action are defined and available to demonstrate to stakeholders the desire to drive the risk management agenda.

Client's View

Your review was both useful and timely as it helped us to think about how external risks can affect the firm as a whole, rather than just focussing on risks posed by individual projects which is already addressed thoroughly. This neatly ties in with the revised approach for ISO 9001 applicable from this year, and we used many of your thoughts to prepare a paper detailing our view of external risks and how we deal with the same throughout the business, all of which will support our triennial re-audit against the ISO 9001 Standard later this year.

Risk Manager's View

This project clearly demonstrated the strong link between quality and risk management and gave clear assurance that the business management processes, both established and recommended, are and would be adding value in the context of a wide-reaching risk management framework as defined by the risk culture profiling tool.

For further information contact our QBE Risk Solutions team at rs@uk.qbe.com

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