

Corporate Governance - Project Case Studies

Media Company - Embedding Risk Management into the Operations

This £2bn turnover media company with 40 business units around the world was concerned about its ability to demonstrate compliance with the Combined Code.

They wanted to

- increase operational managers' risk awareness and improve their ownership of risk
- embed risk identification, assessment and management into the operations of the company.

We designed a model for integrating risk management into all aspects of the client's operations, from boardroom to operational processes. The model summarises the key interventions within an organisation's planning processes, everyday activities and human resource infrastructure.

UK Retailer - Integrating Risk Management in the Business Process

This £6bn turnover retail organisation wanted to integrate risk management into the organisation as part of achieving their goal of a managed risk culture. They had perceived risk as primarily an insurance issue but business decisions were being taken daily without regard to the risks present or being assumed. For example, multi-million pound commercial bids were being submitted without any formal risk analysis.

We provided

- a customised solution for integration within their business planning process
- identification and analysis of threats to business objectives and causes of failure to capitalise on business opportunities
- action plans for the most severe risks.

Risk awareness increased among the 600 managers who participated in the process, accountabilities for managing risk have been assigned at all levels and management of risk is now considered as part of the business planning process.

Global Chemicals Group - Acquisition

This company increased its global presence through a major acquisition. Pre-acquisition due diligence work had been limited and the Group was anxious to ensure that significant risks had been identified, particularly in Eastern Europe and the African continent where there appeared to be large potential exposures.

Working with the company's Internal Audit team, we carried out a detailed appraisal and analysis that identified some significant, hitherto unknown exposures. We helped the company's management to create an action plan to address these exposures.

We also helped create a Global Standards Manual in local languages to ensure that "best practice" standards were communicated throughout the entire group.

Power Utility - Investment in Managing Risk

Our client, one of the world's largest companies involved in the electricity industry, faced a number of practical and socio-political problems which contributed to an unacceptable level of loss. The directorate would not agree to requests for increased funding of risk management

activities without adequate evidence.

We investigated a broad sample of losses and established their "true" costs versus recorded costs.

The analysis demonstrated that the true costs were considerably higher than those recorded. In addition to providing figures, we illustrated the cost in relation to other business statistics (three times the annual coal budget, fifteen times the annual R&D spend, three years outage at a power station). This approach was designed to focus attention on the scale of the issue, the corporate governance implications and the need for action.

We made specific recommendations relating to management accountability, maintenance and the handling and recording of losses in support of the business case for investment in risk mitigation.

Multinational Chemicals Group - Risk Management Information

Our client was an £8 billion turnover multinational chemicals group. The organisation held risk information on multiple systems and required a central Risk Management Information System to consolidate data currently held and share that information with Business Units globally. In particular they needed an evaluation of their requirements and delivery methodology in terms of the business objectives that they were trying to support and to demonstrate good corporate governance procedures.

We ensured the objectives and scope of the project were agreed by all parties at all stages, produced context diagrams of existing/required information flows and processes, and designed and facilitated an invitation to tender exercise through to vendor selection. We then project-managed the installation against functional requirements, i.e. specification, installation, testing and training.

As a result we:

- reconciled conflicting objectives of various stakeholders in the process
- provided a synthesis of risk management, IT, people and process knowledge to the client
- tailored the risk management information system to match the client's