



Hayde Risk Consulting

Confidently in control

Implementing a risk improvement plan

Introduction

Below is a case study of a risk management improvement plan developed within a manufacturing company as a result of a strategic review of the central risk management function, which the Board felt was not operating in an effective manner. The review was based on an elevation of the function, its activities and processes against best practice standards and involved structured interviews with key stakeholders both internal and external.

The purpose of the improvement plan was to set out a route map in terms of where the function needed to be in 1, 3 and 5 years time to support the changing needs of the business.

The improvement plan was used as part of main communication strategy for engaging stakeholders in what needed to change to make the function more successful and hence more able to develop and facilitate risk management across the organisation.

Short term objectives (12-months)

1. Restructure risk management function based on strategic review findings.
2. Recruit new risk manager role holder with appropriate competencies.
3. Understand the implications of the business's 5 and 10 year goals on risk management as a function.
4. Draft risk management objectives and 5 year plan. Gain endorsement to plan and necessary resources.
5. Communicate risk management objectives and plan and gain senior management commitment.
6. Agree risk management objectives for insurance renewal.
7. Commence roll out of gap analysis against risk management standards.
8. Develop training and development plans for all new role holders.
9. Design and pilot integrated risk audit programme.
10. Agree management information requirements for risk management.
11. Design and develop business continuity management processes.

Medium term objectives (3-years)

1. Launch, establish and review integrated risk audit programme.
2. Complete gap analysis across group assets. Establish baseline of asset standards and identify key risk targets.
3. Ensure all 'new build' assets comply with risk management standards.
4. Develop audit process for key suppliers.
5. Implement management information solution for risk management.
6. Establish risk management training and development plan across the organisation.
7. Establish succession plan for all risk management roles.
8. Seek and act on feedback from key stakeholders of risk management function.
9. Establish standard service level agreement for all outsourced risk management service providers.
10. Re-tender all risk management service contracts against new standards.
11. Establish and operate test regime for all key business continuity plans.

Long term objectives (5-years+)

1. Review previous 5-year plan. Establish progress against strategic objectives.
 2. Establish second 5-year plan.
 3. Evidence of robust succession planning working. Risk management perceived as a good career path within organisation.
 4. Roll out supplier auditing programme.
- Agree appropriate capital expenditure budget to drive asset improvement plans.

Reference:

Risk Solutions (2007), Alex Hindson, Institute of Risk Management



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