

STRATEGIC THOUGHT GROUP RISK MANAGEMENT CASE STUDY

network rail

Network Rail implements Active Risk Manager from Strategic Thought for Corporate, Operational and Project risk. Now risk is viewed with one press of a button to better manage and respond to risk at project, operational and corporate level through the deployment of enterprise risk management software Active Risk Manager.

Customer Overview

Network Rail operates, maintains and enhances Britain's railway system and associated tracks, signaling system, rail bridges, tunnels, viaducts, level crossings and major stations.

Prior to the implementation of Active Risk Manager, spreadsheets and a legacy bespoke system were used to manage risk across projects on the rail network. There are now in the order of 20,000 risks held in Active Risk Manager ranging across the project, operational and corporate risks areas.

Because of the large number of individual projects, which can vary from hard structural projects such as replacing level crossings and bridges to softer organizational change projects, Network Rail needed easy risk reporting for management at all levels. There are also some mega projects such as the Thameslink upgrade. Therefore, there was a requirement for clear visibility, consistency and ease of reporting across all projects and programs. Having one central automated risk system repository has led to easier and more accessible reports.

Operational and Corporate Risk

At Network Rail both Operational and Corporate risk are also managed using Active Risk Manager. Operational risks are regarded as the day-to-day risks involved in running the railway within a defined geographical area, for example the Thames Valley. These operational risks from across the company are then rolled up to a bigger picture at corporate level.

At Corporate level there are risk registers for all the major functions such as finance, engineering etc and Active Risk Manager allows all the disciplines to combine to give the Board of Directors an amalgamated view. This has led to the development of consistent processes being introduced across the whole organization again leading to greater visibility and accurate reports. The company won the 2006 Strategic Risk, European Risk Management Award for Enterprise-Wide Risk Management; Active Risk Manager was part of this implementation.

At one point there were more than 52 risk register spreadsheets coming together for Board reporting as part of the integrated risk management process. All of these have been incorporated into Active Risk Manager. This has led to more effective decision making as the overall view of risk is clearer and allows the consequence of a risk at project level to be seen right the way up to corporate level.

Why was Active Risk Manager chosen?

At the same time as deploying Active Risk Manager Network Rail undertook a major implementation of a number of project management systems including Oracle Projects, P3e and Pertmaster for risk analysis. Active Risk Manager was selected as it was seen as a complete risk management package capable of integrating with other systems. Just over 2000 ARM licenses have been purchased and so far over 1600 of these have been allocated at project and corporate level.



The implementation of Active Risk Manager has given Network Rail a consistent and more visible view of risk across the organization at project, operational and corporate levels. The whole system is taken as live at every moment and senior people can now see what the risk is at the press of a button which leads to informed and improved decision making.

Charles Longridge, Director of Business Development at Strategic Thought concluded, "Through extensive use of Active Risk Manager across the organization Network Rail has managed to create much greater awareness and visibility of risks and the response to them. We look forward to working with Network Rail to extend its reporting capabilities and to continue to see further savings through effective risk management using Active Risk Manager."

History

Network Rail signed with Strategic Thought in 2004. The original reasons for the selection of ARM can be found in the press release below:

Strategic Thought Limited, the authors of Active Risk Manager today announce a major new contract with Network Rail the operator of Britain's rail network.

Active Risk Manager will be the risk management system used to implement an initiative to standardize the risk management process across Network Rail's major projects and infrastructure.

Network Rail is the engineering company formed to rebuild, Britain's railways. It also owns, operates and maintains every aspect of the railway structure, including tracks, signals, tunnels, bridges, viaducts and level crossings. It also owns the network's 2500 stations. Network Rail provides access to the tracks for passenger and freight trains in addition to being responsible for timetables and the operation of signals to control train movements.

Active Risk Manager is the world's leading web-based enterprise risk management system. Created by Strategic Thought to enable organizations to improve risk related communication and transparent risk management for business risk, project risk, health and safety and corporate governance.

Charles Longridge, Director of Business Development for Strategic Thought said, "This contract endorses Strategic Thought's position as the major supplier of risk management systems to the transport industry. Active Risk Manager is already in use by London Underground Limited along with all PPP Companies. Network Rail's task is to deliver a reliable and safe rail network and we look forward to contributing to its efforts to do so."

For further information contact The ARM Sales Team

T +1 (703) 673 9580
E risk@strategicthought.com
W www.strategicthought.com