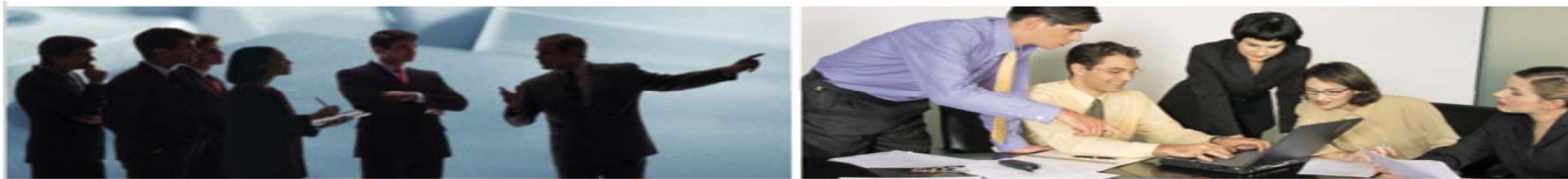


Supply Chain Risk Management Summit - Dubai 2007

”Risk Profiling”



***John Stevens
Managing Director, Risk Frisk Ltd
Chairman, IRM Transport SIG***

Workshop objectives

- **Create checklist to use for:**
 - Internal gap analysis
 - Due diligence of external partners
 - Internal benchmarking:
 - Site by site
 - Division by division
 - Potential for external benchmarking:
 - Overall, Operational risk profile, Sector by sector



RiskFrisk[®]

www.riskfrisk.com

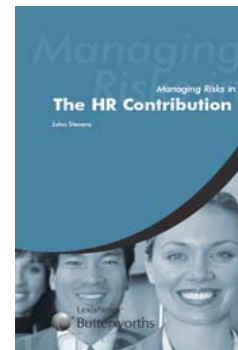
Strategic & corporate
Consultancy
(corporate risk assessment, risk
management systems,
training)

www.fleetriskprofiler.com

Online & real time
Risk Profiling
(Fleet + others)



**“Managing Risk
– The Health &
Safety
Contribution”**



**“Managing Risk
– The Human
Resources
Contribution”**

RiskFrisk[®]

We advise and support clients in any sector

KUEHNE+NAGEL

 **Pitney Bowes**

 **SAS**

 **JAL**
JAPAN AIRLINES

 **THREE VALLEYS WATER**

 **BOC EDWARDS**

 **amey**

 **WT FOODS**

 **Dalkia**

 **Essex County Council**

 **Camden**

 **JPMorgan**

 **THE WINE SOCIETY**
1874

 **Rustons**

 **SYNAPSE**
creative

 **RNIB**

 **VEOLIA**
Water

 **contour**

 **GAPI** LTD

 **TECHNICAL CONCEPTS**

 **Pictons**

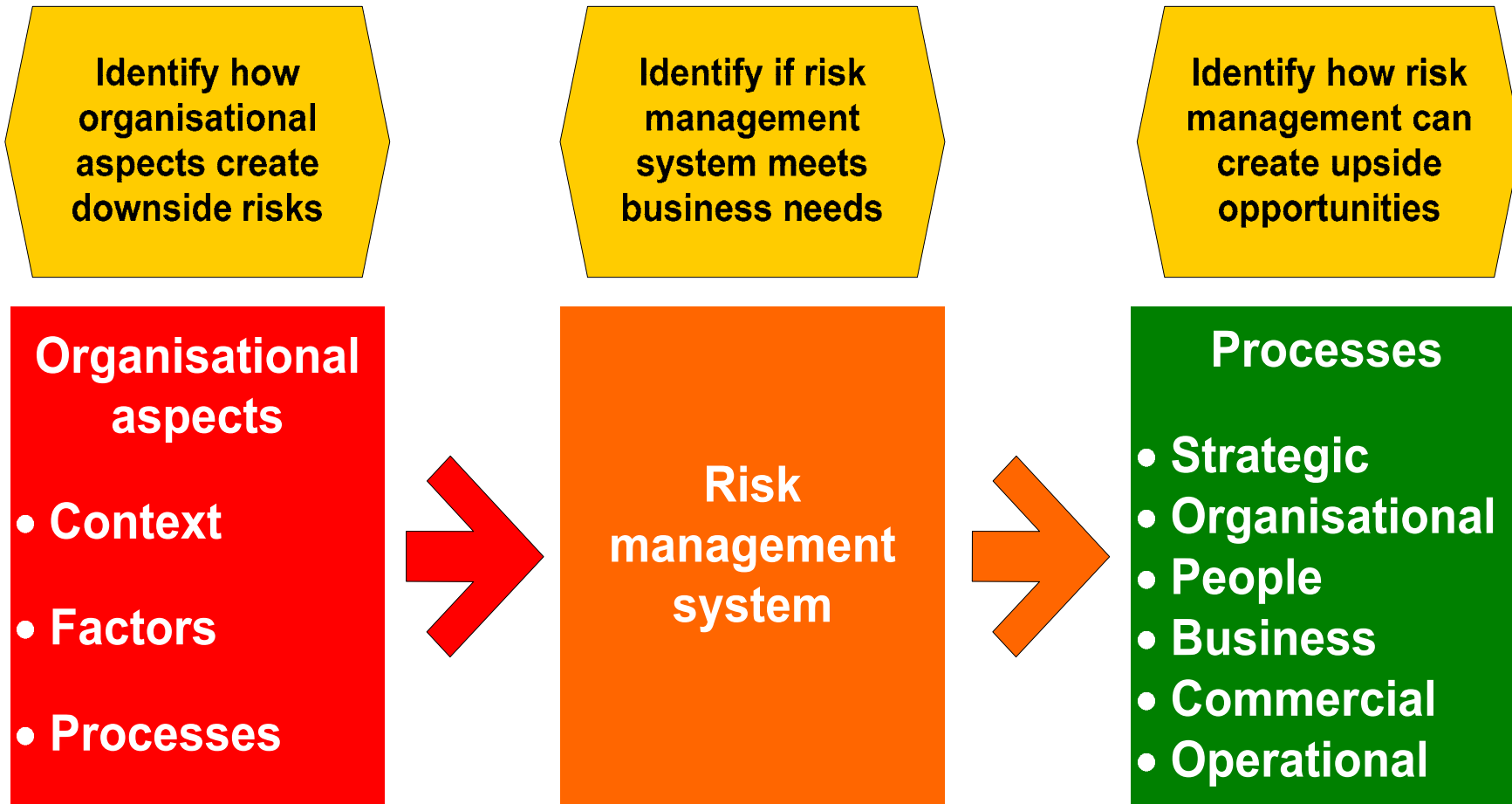
 **CAMDEN**
ELECTRONICS LTD

 **pha**
communications limited

Company website – www.riskfrisk.com
Fleet Risk Profiler™ website – www.fleetriskprofiler.com

RiskFrisk® Model

Corporate risk assessment



Traditional approach

- 'Tick the box'
- Legal/regulatory compliance focus
- Initiatives cover 'silos' or specific issue
- RM covers traditional risks
- Operational level risks are often excluded
- RM preserve of risk management specialists
- Input from other disciplines is reduced
- Total risk profile is not understood

‘Desk-top’ Process

- **Proven internationally for 20 + years**
- **Applicable to all types of industry & risks**
- **Applicable to all countries**
- **Is not legally compliance focused**
- **Is added value, business focused, commercial relevant and risk-based**
- **Is holistic and not ‘silo’ oriented**
- **‘Speaks’ to business with a ‘business’ language**
- **Establishes risk professionals as ‘enablers’ and not ‘blockers’**
- **Makes sure that all risks are part of RM**

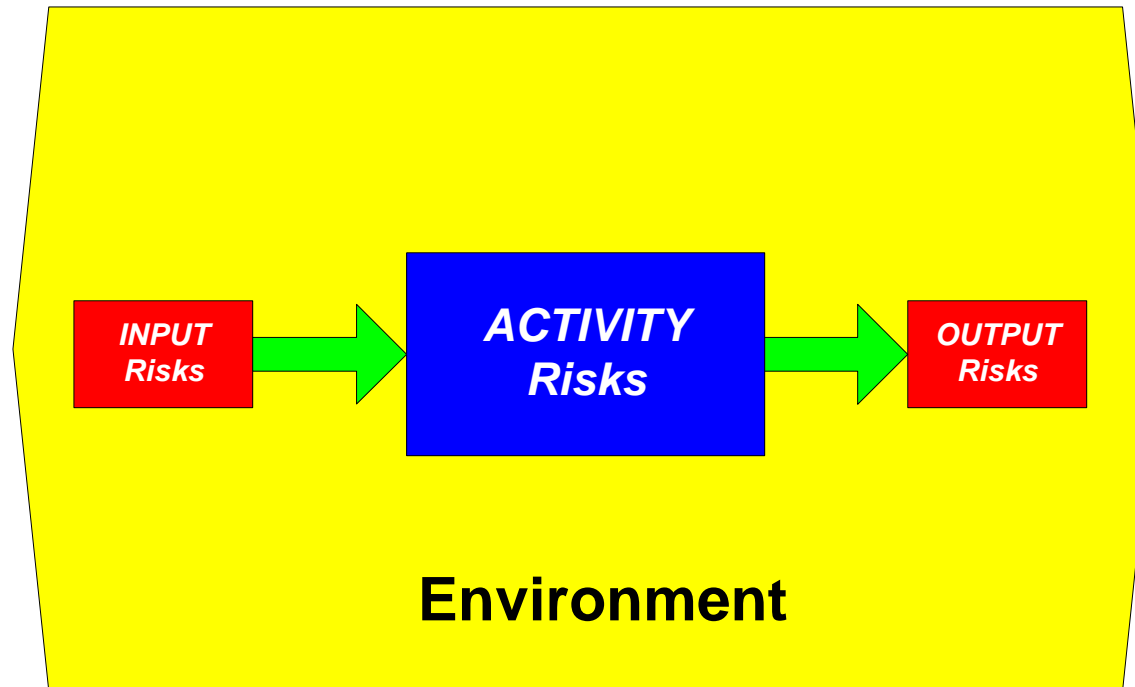
New web-based product

- Provides access to process via web
- Is built using ERM principles
- Enables multi-level benchmarking:
 - Corporate & Divisional
 - Site by site
 - Fleet Industry sector
 - Operational Risk Profile level
- Fast-tracks introduction of your own standard
- Enables you to set your own target & measure your performance at all benchmarking levels
- Significantly reduces resources & costs of 'whole organisation' risk profiling & management
- Automatically generated reports
- Enables the development of a targeted risk-based action plan, consistent with ERM

Online Risk Profiler™

- Supports ERM process
- Includes risks at strategic, management & operational levels
- Makes you take a fresh look at:
 - Total risks relevant to a 'site'
 - Current practice & risk managing status
 - Improvements in risk control
- Provides proof that risks have been assessed
- Graduated reports & actions
- Set targets for improvement
- Systems/process focused, NOT compliance 'tick-the-box'
- Supports reduction in accidents, claims, premiums & overall costs
- Use for due diligence on sub-contractors & 3PL etc
- Use as an internal 'standard' & benchmarking tool
- Use for external benchmarking using industry sectors
- Create your own version to match your specific needs
- Content is 'globally generic' enabling International use
- Regularly updated with changes in good practice etc

Holistic approach



Consider total 'business process' using a holistic, not a 'silo', legal compliance approach

Risk profiling & assessment

- **What is process?**
 - Key operational risk factors determine an overall risk exposure
 - Risk elements – different types
 - Identify & assess risk managing performance
- **What does it generate?**
 - Target – risk managing target
 - Achievement – risk managing achievement
 - Performance – risk managing performance
- **What does it provide?**
 - Real time status reports
 - Performance tables & graphs
 - Strategic data, management information and detailed analysis
 - Internal & external benchmarking reports
 - Non-prescriptive action planning & risk appetite guidance

Workshop Exercises

- 1. Risk areas**
- 2. Business processes**
- 3. Risk profile factors**
- 4. Risk elements**

Industry sector examples - fleet

- Risk Areas
 - Organisational Aspects, Management Support, Vehicles, Drivers, Load, Site, Journey, Delivery
- Business processes
 - Fleet & related operations, vehicle & driver management, site & logistics control, customer management, supply chain partners, loss management
- Operational risk profile factors
 - Business sector; site activities; people no's; load type; vehicle type, no's & status; driver no's, groups, status and experience; journey activities, road & travel profile; geography
- Risk elements – process; metric; organisational

Industry sector examples - facilities

- Risk Areas
 - Strategic aspects, management support, building services, workplace services, utilities, H&S, emergencies, outsourcing, change management
- Business processes
 - Facility identification & procurement, fit-for-purpose & utilisation, building & internal services, PPM, contractor control, building monitoring, tenant management, loss management
- Operational risk profile factors
 - Business sector; internal activities; people no's & type; building type & usage; building services; incoming & outgoing interfaces; length & type of occupation; ownership & legal status
- Risk elements – process; metric; organisational

Industry sector examples – ground aviation

- Risk areas
 - Strategic aspects, management support, aircraft type, airline, support equipment (GSE), support staff & services, load, station, environment, journey
- Business processes
 - Due diligence, change management, passengers landside, aircraft handling, passengers airside, bags, cargo, dangerous goods, emergencies
- Operational risk profile factors
 - Sector; airline type; station activities; people no's, type & status; 'load' types, GSE type; vehicle no's & type; driver no's & status; journey activities, airside & landside travel
- Risk elements – process; metric; organisational

Workshop Exercise 1

- **Consider your own operations & supply chain and list your main risk areas**
- **Do this in pairs and spend 15 minutes each to create a list of each persons risk areas**

Workshop Exercise 2

- Use your list of risk areas as a guide, create a list of your main business processes
- Do this in pairs and spend 15 minutes each to create a list of each persons main business processes

Workshop Exercise 3

- **Create a list of your own operational risk profile factors that can be used to differentiate between sites & supply chain partners**
- **Do this in pairs and spend 15 minutes each to create a list of each persons operational risk profile factors**

Workshop Exercise 4

- Consider the results of Exercises 1-3 and create a list of risk elements that you need to ask your own sites and your supply chain partners:
 - Processes (2 of)
 - Metrics (2 of)
 - Organisational (2 of)
- Do this in pairs and spend 15 minutes each to create a list of each persons risk elements

Fleet Risk Profiler[™] - example

- 13 risk profile factors create an operational risk profile & set risk rating across the system
- 7 risk areas
 - Organisational aspects & management support
 - Vehicles & Drivers
 - Loads & Sites (depot, warehouse)
 - Journey & Delivery point
- 240 + risk elements cover all enterprise-wide fleet & related risks
- 4 Status questions
 - Risk identification & assessment
 - Policies & procedures
 - Communications & training
 - Monitoring & review
- Used for very different fleet & related operations & risk profiles



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