THAMES WATER

Thames Water Gets Risk Management Flowing with Riskonnect

Thames Water recently partnered with Riskonnect to transform the way it identifies, evaluates, and manages enterprise risks, compliance, and reporting. Richard Hoult, head of risk & internal audit, spoke with Riskonnect about the what it means for the UK's largest water and wastewater utility to bring together enterprise and project risk into one integrated platform.

Q: What are some of Thames Water's major risk factors?

A: Thames Water serves London and the surrounding communities. If something happens, millions of customers could be without water. Some of our risks stem from infrastructure issues such as waterpipe cracks that may leak or burst, which can cause significant flooding and damage. Potential water pump failures need to constantly be monitored. Water quality and pollution need to be evaluated. The business also needs to be able to meet the demands for water, which change throughout the year. And then there are multiple regulators, all of which can issue quite hefty penalties and fines if the business does not comply with the rules.

Q: What about risks that would not be on an ERM register, like project risk?

A: The capital program at Thames Water is quite significant. Projects range from £100,000 to £20 million, each of which has multiple risk dynamics – cost, timelines, customer implications, as well as health and safety and supply-chain management.

Q: Why was Thames Water looking to invest in a new risk management system?

A: The system that Thames Water had in place previously was very basic and lacked integration. The reporting process was inefficient and did not produce timely, useful data. Risk team members were spending 80% of their time generating reports, which didn't leave enough time to advise business leaders.

The executive team realized the need for a new system with advanced technology that would address these issues by identifying and prioritizing risks more clearly and completely. We also needed a system that would determine if the mitigations in place were effective, so if we did have an issue, we could act quickly to minimize the damage.

Q: What features of Riskonnect stood out most clearly that would help Thames Water meet its success criteria?

A: We chose Riskonnect primarily for its agility, ease of use, and configurability. We can put controls information and insurance activities into the system and link them with key risks to show how well a risk is mitigated. It provides assurance that risks – even those not at the top of the list – are being managed properly.

Another important benefit was that Riskonnect shows us risks relative to each other. That's something we haven't been very good at in the past. Riskonnect can connect up with different streams of risks that the business is facing. It also helps align the enterprise risk team, the audit team, and the business team around a common language and purpose.

With Riskonnect, all Thames Water's risk data is into one place. Riskonnect also has strong, easy-to-use reporting capabilities that help us prioritize actions and make better decisions. And compliance features help us monitor and track the ever-changing regulations.

The ability to integrate Riskonnect with other applications on the Salesforce platform and our internal audit program also came into play. A number of different areas were already using Salesforce, which made the IT team more comfortable. And the fact that Riskonnect is constantly improving and expanding its systems was important.

Q: Why was ease of use so important?

A: Everyone has so much to do, they don't have time to figure out a complicated system. With Riskonnect, users can intuitively work out what they need. We already had Riskonnect's Project Risk Management software and knew how intuitive it was to use.

> Riskonnect is a system people want to use because it's easy. They can do things – like create complex reports – very quickly. When adoption rates are high, information is kept up to date, which benefits the business.

Q: How major was the change in risk management systems for Thames Water?

A: It was a major transformation, but it was implemented very smoothly. We made a fundamental change in the way we view, assess, and mitigate risks.

It has brought risk management to the forefront of business planning and budgeting. We have current, up-to-date information available with the click of a button. We can gather around a table to discuss the changing landscape of risks, mitigations, and funding.

Q: How did cost factor into Thames Water's decision to select Riskonnect?

A: Cost was a huge factor. There is always a worry when you are buying a new system that it will be expensive and time-consuming. The goal was to put a new risk management system in place without increasing capital expenditures.

In the end, price was one of the factors that led to choosing Riskonnect. It was basically a wash going from the two old systems to one new integrated system. So financially, the business case made sense. There were some implementation and transition costs, but no other ongoing costs.

What we found is that the benefits of Riskonnect far outweigh the costs, whether you're talking about direct benefits of managing the cost of risks or indirect benefits like time savings and more efficient use of manpower.

Q: How has Riskonnect impacted the way risk is managed at Thames Water?

A: One of the biggest changes is that our risk team members have become "business advisors" to other parts of the of the organization – including the executive team – rather than just a reporting arm. It's led to more collaboration between risk owners using shared views to decide together on the best actions.

Information can be accessed with just a press of a button every day, every week, or every month. The system provides automated prompts and reminders to update information. And it's also easy to see what has been updated and when it was updated.

The people with risk roles and responsibilities feel more informed, prepared, and confident. And it is not just the risk team. The first line, risk champions, and risk owners have also benefitted.

The reporting process, in particular, is invaluable. The reporting function is very agile and intuitive, which meant there was quick adoption by users. The risk team is able to generate and share reports much more easily.

The bottom line is that better data and timely reports have given our executive team and board the power to make informed, strategic decisions about risk that will benefit our organization, our employees, and our customers.

Riskonnect is absolutely brilliant for the business.

ABOUT RISKONNECT

Riskonnect is the leading integrated risk management software solution provider. Our technology empowers organizations with the ability to anticipate, manage, and respond in real-time to strategic and operational risks across the extended enterprise.

More than 2,000 customers across six continents use our unique risk-correlation technology to gain previously unattainable insights that deliver better business outcomes. Riskonnect has more than 800 risk management experts in the Americas, Europe, and Asia. To learn more, visit riskonnect.com.

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