

## Case Study:

How Risk Shield® provided the ideal solution for Australia's leading supplier of specialist maritime support services and helped them win the Australian Business Limited 2004 Best Risk Solution award.



**Defence Maritime Services** was formed in 1997 by P&O Maritime and Serco Australia to deliver a complex range of harbour and offshore services under a 10 year Port Services and Support Craft Contract for the Royal Australian Navy (RAN). Since then, the company has expanded its operations. DMS is Prime Contractor for supply and through life support of RAN's new fleet of ARMIDALE Class Patrol Boats. The company also manages Maintenance and Repair Services for eight coastal patrol boats operated by the Australian Customs Service. DMS employs over 200 people in all states of Australia with annual turnover exceeding AUD70m in 2004.

### The Need to Manage Risks

Taking the most mature contract as an example, the Port Services and Support Contract (PSSC) operates eight ocean going vessels, over 100 assorted harbour craft and conducts maintenance and support on over 500 craft in Australia and overseas. A national company, working under contractual obligations for three government customers and overlaying this with the regulated requirements of the maritime industry, DMS answers to 9 governments and a plethora of legislation. **If one could suggest there is a common thread in every business function and every facet of legislation, it would be risk management.**

In addition to the 'normal' risks associated with the Maritime Industry (Cockroft 2000) DMS supports activities ranging from recruit training to the sophisticated requirements of submarine escape and rescue operations, towing of targets for warships to engage in live firings and weapon recovery and mine laying and recovery – just to mention a few. As such, DMS is exposed to levels of risk traditionally only seen by military vessels. To assist in combating this higher level of risk exposure, DMS complies with the International Safety Management Code for International Shipping and has achieved AS/NZS ISO9001:2000 Standard through Lloyd's Register Quality Assurance.

### The Solution

The Risk Shield Enterprise Risk Management System was developed to fulfil the needs of qualitative risk management for DMS. From identifying potential risks across the business to implementing prevention strategies, Risk Shield has delivered a sophisticated solution to meet the comprehensive needs of the organisation. Marco Tapia, Risk Shield Managing Director led the development team, **"Part of our strategy has been to develop a software solution that can be easily adapted to meet the individual needs of each organisation.**

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**By developing such a fit, we are able to offer organisations like DMS a solution that only requires minimal customisation. Additionally, with its intuitive user interface, Risk Shield is very user friendly and therefore eliminates the need for extensive training and support.” Marco Tapia, Managing Director, Risk Shield.**

### Qualitative

Risk Shield is a tool designed to assist in identifying an appropriate level of control for the risks encountered by the company. As such it is considered that Risk Shield allows accurate compliance with AS/NZS 4360:2004 and relevant Health & Safety legislation. Risk Shield integrates a risk register and a risk matrix with multiple assessment types with the matrix having in-built customisation capabilities. For example, DMS' primary customer – the RAN – uses a 4 X 5 matrix; DMS aligned itself to its customer's Hazard Risk Index scale to assist in communication channels.

### Quantitative

It was a decision that DMS should utilise more than just the typical qualitative analysis for risk assessment and employ the full strengths of SQRA to better inform and advise Senior Managers of risk and risk management processes. SQRA is a recognised, accepted and respected tool throughout the Mining Industry, accordingly it is considered that Risk Shield could interface with this industry sector without modification despite the lack of synergy between the Marine and Mining communities. Additionally Risk Shield and its SQRA process capabilities are able to be used beyond just the realm of safety and are capable of being utilised in full enterprise-wide assessments. SQRA allows you to combine risks and produce accurate “Enterprise-Wide Assessments” and although a more complex and more thorough risk assessment process than the qualitative assessment, it is one which is absolutely vital in the highly regulated organisational environments such as DMS.

Risk Shield provides an extremely accurate method of ranking and managing risks beyond the scope and capability of qualitative systems. This is achieved by producing outputs and results typically seen in a quantitative process but without the complexity and cost normally associated with this type of risk management and assessment procedure.

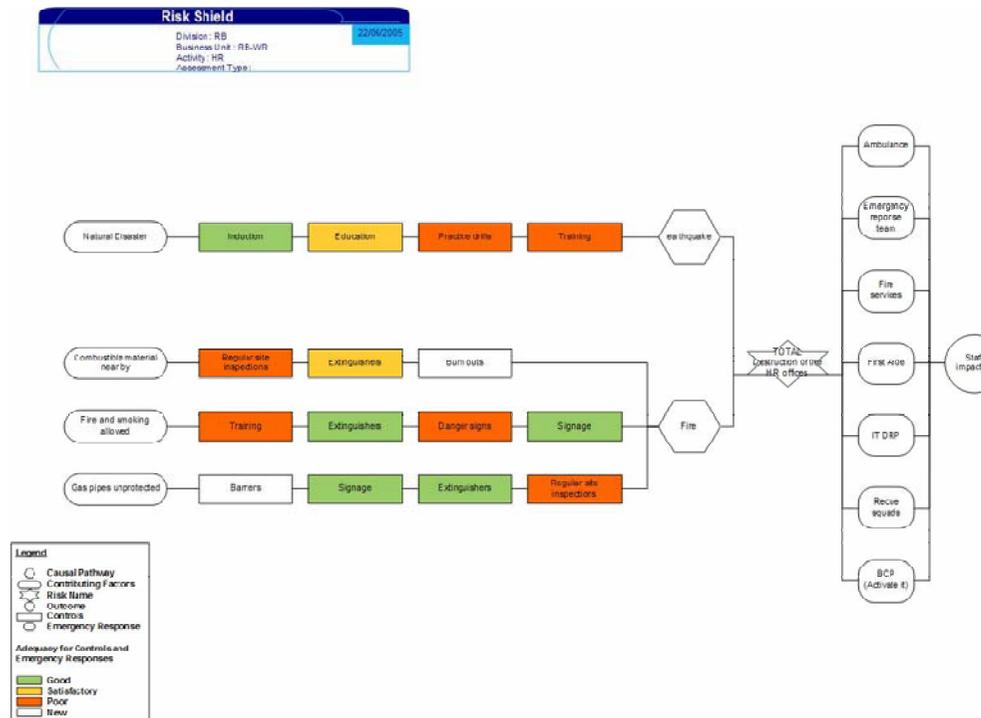
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## Visualise Real Time Risks Instantly

Risk Management is about understanding and controlling the process and pathways that can lead to an incident.

Explaining and visualising these different pathways and processes to others can be a difficult task without the right tools. To assist with this process, Risk Shield can generate automated Bow-Tie Diagrams.



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### The Benefits

**“The Risk Shield software has enabled us to conduct Enterprise Wide Risk Management utilising the benefits of semi-quantitative risk analysis. Risk Shield forms the basis for positive performance safety measurement and identification management of low probability, high consequence events. This formal process has really helped us to focus on the major risks we face in our day to day activities and to conform with our legislative requirements allowing us to identify and operate within our maximum performance limits.” Paul Ledgin, Manager for all Quality, OH and S and environmental matters for Defence Maritime Services.**

By combining identified risks, hazard registers and incident reporting against activities conducted by DMS into a single system, DMS is able to accurately identify areas requiring safety management before they become a problem or are realised. Consequently Risk Shield has enabled DMS to move away from lag indicators and reactive safety measurement such as Lost Time Injuries to proactive lead indicators and safety measures. Accordingly this allows the company to manage safety in a manner whereby focus is placed on areas requiring attention before they become a problem and injuries are experienced as opposed to the typical process of safety management attempting to address an issue after an incident or injury.

With their expertise in Enterprise Risk Management, Defence Maritime Services won the Australian Business Limited 2004 Best Risk Solution award.

**“The improvement this system has provided DMS across all levels of the organisation, from the Board to the Operator, has been considerable.” Paul Ledgin, Manager for all Quality, OH and S and environmental matters for Defence Maritime Services.**

“Risks can now be easily tracked, measured and mitigated in a manner which ensures that the appropriate level of attention is commensurate to the magnitude of the risk. The result is a more proactive and timely safety management focus, subsequently improving the culture throughout the company. Being able to accurately and efficiently manage our risks also improves the capabilities of the company through the understanding and identifications of risk boundaries and more accurate resource allocation”.

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### Leaders in Risk Management

Being an activity based tool, with multiple modules, Risk Shield has the ability to grow or expand to meet the needs of any organisation, irrespective of the number of divisions or structures employed – making it a suitable fit within any industry.

**“Risk Shield not only helped us to comply with new regulations but also to respond to the ever changing risks associated with our business. I highly recommend this software as a professional and complete tool for Risk Management to any organisation.” Mr Legdin concluded.**

Risk Shield is a sophisticated Enterprise Risk Management system that is 100% Australian owned and developed. Now in its third year of operation, Risk Shield has helped many large organisations effectively manage their risks including The New South Wales Attorney General's Department, Information Services Branch; Reckitt Benckiser; and The Department of Emergency Services, Queensland. Risk Shield is a subsidiary of PicNet, one of Australia's leading I.T service providers. PicNet has worked with many leading organisations such as Pfizer, DMS, Reckitt Benckiser, Fuji Xerox, Sydney Ferries, Sky Channel and many more. With services ranging from software development, infrastructure management and consulting to on demand services, help desk and enterprise risk management, PicNet helps medium and large sized organisations use technology to lower costs, increase efficiency and grow strategically.

For more information about the service of PicNet, please visit [www.PicNet.com.au](http://www.PicNet.com.au).