

*"A turtle may live for hundreds of years because it is well protected by its shell, but it only moves forward when it sticks out its head."*

Ricardo Semler

## For Whom The Bell Tolls



Insurance has been a vital risk management tool for centuries and where better for Risk Solutions to explore the topic than the Lloyd's Building? In June we challenged our guests to form 18th Century shipping consortia, competing against each other (and an unlikely number of disasters) to see who could amass the greatest wealth over the evening.

In recognition of their efforts, we gave a donation to the winning team's charity of choice (Save The Children). Our chairman, Ray Proctor, rounded off the evening with entertaining anecdotes on changing attitudes to risk over his working life.

## Reporting Lines

AEA Technology recently changed the reporting lines for those businesses (including Risk Solutions) that reported into the Corporate Centre. Risk Solutions remains a subsidiary but, from 1st October, we now report through AEA Technology Rail. We will continue to offer our services to a diverse range of public and private sector clients, working closely with colleagues in the Rail and Environment businesses.



## Coping with Climate Change

Evidence that our climate is changing is growing ever stronger, and the British Government is giving high priority to tackling this issue. Although much emphasis has been on reducing emissions of greenhouse gases, there is also a need to understand how the UK can adapt to climate changes that are already inevitable. Climate change is characterised by long time horizons and considerable uncertainty, in terms of both the scale and nature of the changes we can expect. So how can businesses be better prepared to take strategic decisions about climate change?

Risk Solutions, in collaboration with AEAT Future Energy Solutions and Metroeconomica, has been commissioned by Defra to look at the potential impacts of and strategies for adapting to climate change in the business sector. We are focusing on two case studies, the railway industry and supermarkets, to develop transferable lessons for other industries. The project is part of a wider research programme which is also covering planning, the rural economy and water, and will be completed in 2005. Our recommendations will help inform government policy in this important area and provide a stimulus to industry as it starts to consider this most strategic of issues.



## Carrying a Torch for the Greeks

As part of the build up to the Athens Olympics, the Olympic torch visited London on 26th June 2004. 140 runners, including many sporting celebrities, participated in a 48 km relay around central London, starting at Wimbledon and ending at a pop concert in The Mall. The GLA and British Olympic Committee were keen to ensure that the relay was a great success – not least because it would build support for the London 2012 bid. Following our contribution to the Queen's Golden Jubilee and Millennium Eve events in central London, Risk Solutions was asked to conduct a 'global' review of risks to the torch relay and, in particular, the safety and welfare of spectators and participants.

An important characteristic of the torch relay was its dispersed nature; it visited twelve London Boroughs, five of which took the opportunity to organise local events along the route. The relay was, of course, a great success with many memorable moments along the route and large good-humoured crowds watching both the relay and the concert in The Mall. Whatever the outcome of the 2012 decision, London left the IOC in no doubt about its appetite to be the host city.



## Managing Strategic Risks

The management of strategic risks is a key concern for every senior manager. Many of these risks can be expressed in financial terms but, increasingly, companies are judged on more intangible criteria such as corporate social responsibility. Our internally-funded research, coupled with our experience helping major public and private sector organisations, has enabled us to develop the methodologies and skills needed to help our clients derive maximum value from their risk management activities.

A recent example of our work in this area was for Balfour Beatty Rail Infrastructure Services. We used a top-down approach to help BBRIS identify the strategic risks to its objectives and develop a consistent set of risk registers across the operational business units, focussed at an appropriate level of detail for each management team. The BBRIS executive team was particularly concerned with the strategic level 'transition risks' associated with a period of major change and their 'risk appetite' within the constraints of Balfour Beatty Group policy. Our assistance was well received by the senior managers involved, building increased understanding and ownership of the importance of strategic risk management.