

STRATEGIC THOUGHT GROUP RISK MANAGEMENT CASE STUDY

Northern Gateway Alliance

Northern Gateway Alliance, the consortium responsible for the design and build of the northern motorway expansion in New Zealand, benefits from wider visibility, communication and reporting of risk and opportunity information using Active Risk Manager from Strategic Thought Group plc.

Overview

The Northern Gateway Alliance (NGA) was formed in March 2004 and is comprised of eight organizations; the New Zealand Transport Agency, Leighton Contractors, Fulton Hogan, URS New Zealand, Tonkin & Taylor, Boffa Miskell, United Group and VSL. The Alliance is responsible for the design and build of the northern motorway expansion between Orewa and Puhoi, known as the Northern Gateway Toll Road in New Zealand. The road passes through a diverse landscape containing steep topography, large tracts of native bush, streams, estuaries and areas of pastoral farmland. As at August 2008 the 7.5K motorway was around 85% complete.

The NGA structure is similar to that of any enterprise, it has four sub projects under the NGA umbrella. These are earthworks, structures, tunnels and general. Each of these four sub projects are split again into zones such as bridges, tunnels, packages of work etc. There are also sub projects under Structures and Tunnels.

What was required?

On a project of this scale there was also a requirement for a system to support the management of risk and opportunity proactively, rather than just as a straight modelling tool.

Active Risk Manager – the solution

Active Risk Manager was purchased in 2006. The Enterprise Risk Management (ERM) process provided by ARM means there is a systematic focus on risk; a true picture of the risk situation across the whole project is presented at any one time. Using ERM helps to connect the dots across an operation, enabling the best decisions to be made based on both risk and opportunities. ARM provides a proactive solution to risk management required to ensure budgets and time schedules are adhered to by all the members of the Alliance.

The Northern Gateway Alliance also uses Primavera, project and portfolio software as its project controls 'hub' and for data integration.



Results and Benefits Achieved

The NGA has benefitted since the implementation of Active Risk Manager from project-wide visibility, accurate reporting and the communication of risk and opportunity information. ARM has allowed the project to manage the risk and opportunity items in a proactive manner while facilitating the flow of current information to the right people to make informed decisions in terms of work execution and risk management.

“Using an enterprise risk management (ERM) model was an ideal way to gain visibility of risk and opportunity that each individual project carries as well as having the capability to summarize those risk and opportunity items across the entire portfolio of the Northern Gateway Alliance and Active Risk Manager has been integral in that ERM process.”

Tim Davis, Project Optimisation, Northern Gateway Alliance

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About The Northern Gateway Alliance

The Northern Gateway Alliance was formed in March 2004 to design and build the Northern Motorway Extension between Orewa and Puhoi, New Zealand. The Alliance is comprised of the New Zealand Transportation Agency, Leighton Contractors, Fulton Hogan, URS New Zealand, Tonkin & Taylor, Boffa Miskell, United Group and VSL.

For further information please visit: www.northerngateway.co.nz

About Strategic Thought

Strategic Thought is a leader in Enterprise Risk Management in both theory and practise through its team of industry practitioners who have a wealth of experience in setting enterprise-wide risk/reward strategies and implementing ERM programmes in a variety of industries.

Active Risk Manager is the world’s leading web-based Enterprise Risk Management system. ARM enables the identification, registration, communication, analysis and management of risks and opportunities. ARM aids compliance with project, operational and enterprise-wide guidelines. The effective management of risks and opportunities allows companies to act within corporate governance requirements and industry standards while balancing the risk/reward mix to maximize the return on opportunities.

Strategic Thought was founded in the UK in 1987 and opened offices in the US in 2004.