Elbit Systems of America deploys Active Risk Manager to manage risk across homeland security, defense and commercial aviation projects

Elbit Systems of America is a leading provider of high performance products, system solutions, and support services focusing on the commercial aviation, defense, homeland security, cyber security, and medical instrumentation markets.

With facilities throughout the United States, Elbit Systems of America is dedicated to supporting those who contribute daily to the safety and security of the United States.

Following a review of business practices across the organization, the company invested in Active Risk Manager (ARM) from Sword Active Risk to manage all programs and projects in a consistent manner. Since deploying the software, the company now uses ARM for risk and opportunity management.

Managing risk and opportunity across the business

Joel Friederich, PMP, Vice President of Program Management, Elbit Systems of America explained the rationale for choosing ARM; “One of the main focuses in my role was to look at possible weaknesses across the organization in our project delivery. We identified that business groups used different methods to manage projects and that a key area for improvement was risk management.”

In addition to the findings from the internal review, Elbit Systems of America’s discussions with customers highlighted that risk management was an important factor in contract deliverables as well as being required to support the new AS9100 certification.

The company previously used an internally developed tool to manage risk, but it lacked a lot of the capability that the teams required.

Looking across the board, and having talked to Sword Active Risk, we felt that ARM was the only suitable product on the market for us. We could see how an enhanced tool like ARM could help us manage and handle risks better – the accountability, better user interface, having identified risk owners and the cascade reporting all captured our interest. This, and feedback from some of our partners on how they used the tool, resulted in our final selection.

Joel Friederich
PMP, Vice President of Program Management, Elbit Systems of America
Company executives spoke with their customers about their intention to deploy ARM and the customers supported the new approach to risk management. In addition, the ISO auditors agreed that adoption of the solution would strengthen the company's quality certification programs.

A consistent approach to managing program and project risk

Since deploying the software, Elbit Systems of America now has over 120 program and project managers using ARM across multiple business units. As technical leads on their specific projects, the managers are the risk champions and responsible for collecting, collating and updating risk data from their project teams.

While originally using ARM for risk management in projects, Elbit Systems of America has now started to introduce its use for identifying and managing supply chain risk, a key area for successful project and program delivery.

The plan is to extend the use and accountability of risk further within teams, such that risks can be better identified – for example, the costs associated, probability and how the risks might be better managed.

“We have found that many of our partners manage risk within the supply chain which is an area that we wish to develop further. We also intend to extend the use of ARM into our internal and external audit compliance procedures,” said Friederich.

Risk reporting gives customers confidence

ARM is supplied with a library of standard reports which provides the ability to create dashboards, tables, charts and matrices without the need for specialized IT or report writing knowledge. This feature has been particularly well received internally and by Elbit Systems of America’s customers. These reports have been used successfully in managing a new large program for US Homeland Security.

“Our current contract with the Department of Homeland Security Customs and Border Protection continues to use ARM to manage schedule and program risk. Our approach was well received by both Homeland Security and Border Protection organizations,” said Friederich.

Elbit Systems of America stated in its proposal to Homeland Security that it would be deploying the risk management tool and was able to identify which areas of the program would be low or medium risk. Both factors, Friederich believes, helped Elbit Systems of America to score highly in the selection criteria and secure the business.

Stating that we use ARM gave them confidence in our approach to risk management, since they were familiar with the Sword Active Risk solution. In general, we now state in our business proposals that we use ARM to manage and mitigate risks in our internal processes, which endorses our quality certifications.

Joel Friederich
Elbit Systems of America