Horizon
Simple to use risk management solution that provides visibility and confidence on all project risk data

The Customer
Horizon Nuclear Power was formed in January 2009 with the aim of developing new nuclear power station capacity to help meet the UK’s need for stable and sustainable low carbon energy. Horizon became a subsidiary of Hitachi in 2012.

The energy market is facing volatility and hence a business focused on long term projects in the nuclear sector must manage many strategic risks related to the shape of the future market, energy prices and security of funding.

The Horizon risk team originally used Microsoft Excel to manage risks and to provide risk reporting, but rapidly came up against the limitations inherent in this approach.

Spreadsheets could not support concurrent users working on a single risk repository for the whole business, nor produce the quality of reports needed by senior management. It was also not possible to interface with Horizon’s Primavera project management tool, meaning it was difficult to record risks against project activities.

Challenge:
Replace the original spreadsheet approach to risk management

Solution:
Implement an easy to use system that supports project risk and board reporting

Results:
A robust multi-user system that provides confidence in project and risk data at all levels

“Spreadsheets could no longer meet our requirements and support our risk management processes.”
ARM is simple to use, yet with the rich functionality needed by the risk team, and the ability to add new capabilities over time.

The Solution

Active Risk Manager (ARM) was selected because it provided a simple way for business users to enter their risks into a common system, yet had the additional rich functionality needed by the risk team to meet current and future needs.

ARM was easily configured to support Horizon’s way of working and existing risks were quickly brought into the system using the standard ARM Excel import tool. Sword Active Risk provided two short training courses to bring Horizon personnel up to speed; one session for end users and a more in-depth course for risk professionals and administrators.

Horizon is rolling out ARM Apps to provide simple data input for risk owners across the business and is using the ARM interface to Primavera P6 to integrate risk and project management to deliver comprehensive and robust program oversight and controls.

Horizon uses the risk data provided by its ARM system to feed the monthly board reporting pack to inform strategic decision making.

The ARM import tool made data migration and system set-up quick and easy.

The Results

ARM provides Horizon a single, stable and secure repository which enables the proactive management of the risks and opportunities critical to the success of its nuclear new-build projects. Risk categories include regulatory, political, operational, site and financial.

Risks are assessed from very low to very high, using a 5x5 matrix in ARM to record the likely impact and probability. Assessment criteria include financial and schedule impacts and also regulatory, environmental and health and safety concerns, when appropriate.

To capture the full range of risks it is important to include as many employees in the risk management process as possible. ARM’s range of access options means that infrequent users participate in the process via simple screens for rapid input of risk data, with just the relevant fields displayed, while the risk team has access to full risk management functionality.

ARM provides Horizon a robust, secure and auditable solution for managing all types of risk.

Multiple users can work on the ARM system simultaneously, which was not possible with the previous spreadsheet solution. ARM’s audit features provide traceability of who has input sensitive data or made changes.

ARM holds the risks related to each project work package and enables filtering and aggregation to make analysis of the data easy at both project and corporate levels. ARM means reports for the monthly board pack are more comprehensive and provides confidence that the data is up-to-date and accurate.