Value Through Risk Management
Introduction to Risk Management

The process of identifying risks, assessing risks and developing strategies to manage risks is known as risk management.

A risk management plan and an organization impact analysis are important parts of your organization continuity plan. By understanding potential risks to your organization and finding ways to minimise their impacts, you will help your organization recover quickly if an incident occurs.

Types of risk vary from organization to organization, but preparing a risk management plan involves a common process. For many, risk management is dominated by inconsistent manual processes, segmented and unreliable information and the lack of real-time access to consolidated risk information across the organization.

Therefore, the organization case for using Risk Management Software is a strong one to contend with. In most cases today, risk management processes require specialist software and technology to support it. Instead of building up those hidden costs of time by chasing employees for risk updates and copying and pasting data from one Excel Spreadsheet to the next, organizations can really build quality in to their risk management process.

5 benefits of adapting and implementing proactive risk management technology

✔ Create a consistent process
  • Automate control assessments that match organization processes
  • Utilise flexible risk analysis and evaluation to calculate risk levels
  • Configure templates for each risk, organization unit and region
  • Configure rules to reflect organization processes
  • Automate escalation notifications
  • Facilitate effective communication of risks throughout the organization

✔ Manage the risk framework
  • Provides a method framework with which the organization can identify existing and emerging risks
  • Align risks to overall organization objectives to see the complete picture
  • Configurable risk matrix to score risks tailored to the organization process
  • Supports the development of a risk culture through common assessment and understanding frameworks.

✔ Risk ownership
  • Assign risk ownership
  • Set reminders and escalations

✔ Reduce costs and improve efficiency
  • Lower report production costs by saving time in report creation

✔ Performance reporting and improvement to decision making
  • Use of risk management insights to enhance insight and decision making
  • Use of analytical methods to understand the effects of risks
  • Linking of related incidents to risks
  • Reporting of KRI’s and associated performance indicators
  • Highly configurable & automated dashboard reporting
Sword Active Risk is a global leader in the provision of risk management solutions.

Active Risk Manager is the market-leading risk management application in use in some of the world’s most respected Military and Defense organizations. It helps some of the world’s most respected organizations address risk management needs from project risk through to wide governance, risk and compliance (GRC).

The Active Risk solution was the first web-based risk management solution in the industry. Today, Active Risk customers benefit from more than 25 years of focused development, Organization Risk Management experience and strong industry relationships.

Active Risk Manager Software

Active Risk Manager (ARM) from Sword Active Risk, is a web browser based software solution designed to enable customers to achieve all of the benefits possible from a mature organization risk and opportunity management process.

It has different user interfaces designed for different groups participating in the risk process to keep it simple and relevant, it supports multiple risk management processes and is available out of the box and able to be configured by organization process owners.

This offers significant time to value and reduced total cost of ownership over bespoke and toolkit based solutions. It is available as both an in-house deployable solution where data control, security and integration is important, or as a hosted SaaS based solution.

It is the leader in the market and is why, for industries where risk management is critical to the success of their organization, it is the de-facto standard. Simply ask one of our many customers - such as US Army, UK MOD, Lockheed, Raytheon about the value they have obtained.

In all of our customers ARM is being used to help deliver critical organization objectives where, in one of our customer’s terminology, “failure is not an option”. This is important as it differentiates ARM from solutions designed primarily for compliance purposes. Whilst ARM handles this, our primary strategic mission is to help our customers become stronger and more successful by embracing the management of risk.
Centralizes and simplifies top-down, bottom-up and cross organizational risks, controls, opportunities, actions, incidents and audits. Its functionality lets you record, score, assess and mitigate risks at all levels in your organization via a single, secure and auditable system.

Unlike stand-alone, spreadsheet-based risk management solutions, ARM provides a simple, secure, centralized, web-based system that meets the risk management needs of individual departments, and the organization as a whole. Because ARM was built to be simple and easy to use, it accelerates the adoption of consistent risk management processes across operations and projects. ARM drives value by providing a complete and integrated ERM system that ensures greater visibility of critical risks, reduces surprises and provides a complete audit trail across the organization.

Whether your goal is on-time, on-budget project delivery, organization wide risk exposure consolidation against corporate risk appetite levels, confidence that your current control framework is effective, organization continuity and insurance cover of your residual risk, compliance with regulatory obligations or simply increased competitive advantage — ARM helps you realize your goal.

By having in place an effective risk management solution your organizations can manage the entire life-cycle of risks, supporting planning and providing Executive-level assurance on the effectiveness of your internal controls for mitigation, governance and compliance and the overall understanding of the organization’s strategic risks.

Many organizations are under the false impression they are doing organization risk when they simply cannot piece together the consolidated view of risk across the entire organization. Without this information, how can management understand what their total risk exposure is and make relevant decisions based on this?
**US Air Force Materiel Command Selects Sword Active Risk Manager**

**The Challenge**

US Air Force Materiel Command (AFMC) develops, acquires and sustains the resources the US Air Force needs to remain the leading military force in the world.

It is responsible for over 50% of the Air Force’s budget. AFMC has responsibility for everything from the most complex fighter aircraft to uniforms. It’s four core mission areas are:

- The science and technology to enable new and better military capabilities
- Acquisition management to deliver capabilities
- Test and evaluation to validate and improve capabilities
- Sustainment of Air Force capabilities to ensure correct funding and resource investment decisions are made, AFMC needs to know the risk profile of each USAF program. Decisions can then be made whether additional funding is required to mitigate risk in one program while funds in another can be released as successful risk mitigation strategies are deployed.

**The Solution**

The Solution AFMC selected Active Risk Manager (ARM) to monitor the risks of current and future programs, and for the rationalization and allocation of resource across the whole program portfolio.

The use of ARM better enables the acquisition programs and projects that equip the Air Force to deliver on time, on budget and to high technical performance, by the identification and reduction of risks.

**The Results**

When AFMC implemented ARM it set ambitious goals for the improvement of speed of communication of key risks so as to reduce the probability/frequency and scale of impact of those risks. AFMC aims included:

- Encouraging a more in-depth risk management process and communication of risk at all levels to allow for the delivery of consistent processes to reduce cost
- Ensuring that senior management had transparency of the real risks and opportunities across programs so that funding can be assigned/moved and resources allocated to the right programs based on real up-to-date and relevant information
- Capturing risk knowledge not just for today’s missions but also for the next generation.

ARM delivered on these aims and provides AFMC leadership with faster access to real-time, authoritative risk information across a growing portfolio of programs from a single web-based system.