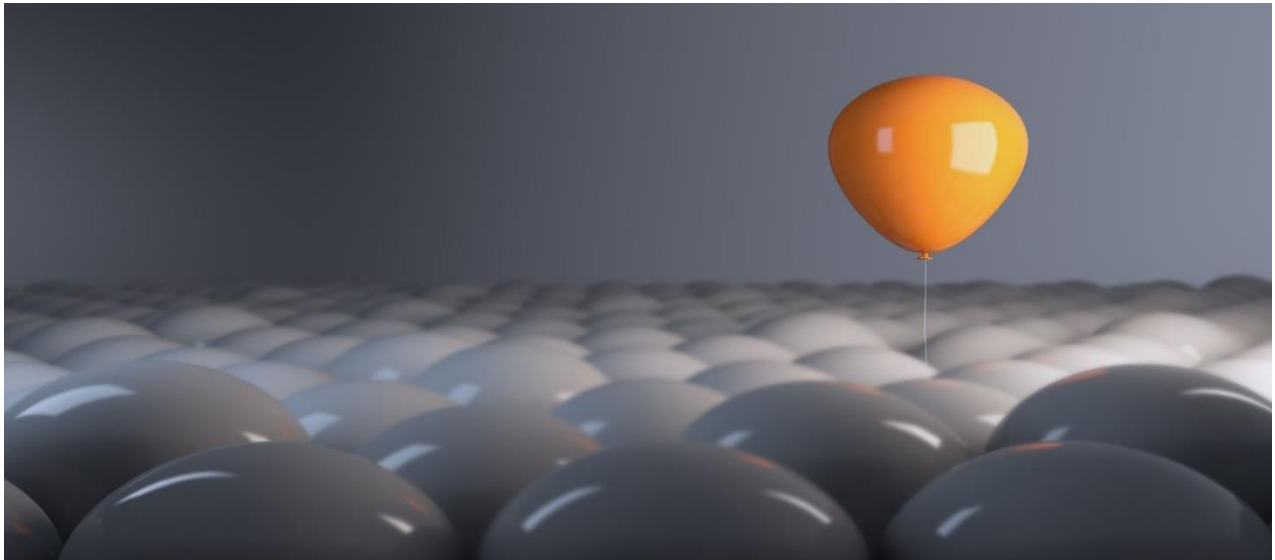


Insight

Showing the cost benefit of combining safety, environment, and reliability investments



Investing in the right place at the right time with the right idea will play a key role in ensuring sustainability, creating value and being cost effective.

Many company managers make decisions based on a silo approach. Focusing on their areas of influence and experience. This systematically ignores the synergies that underly strong management cultures. Action based compliance leaves little room for company innovation, ignores robust overlying governance and control barriers and leaving great ideas on the table.

Companies should ask themselves, “Are these actions effective?, Can I improve process safety and performance, or other functions, with the same investment?, How do I show value creation?”

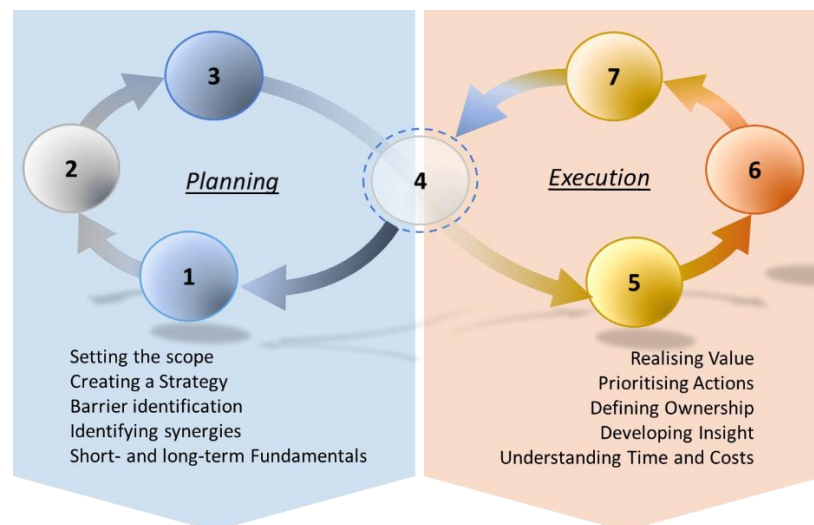
When done correctly we should be able to see risk management effectiveness, increase operational performance and have a midterm investment portfolio plan meaning we are

spending on what makes us vulnerable now, not on risks which might be irrelevant in the future.

Sustainable maintenance, operation and process safety performance relies on having a management system that plans and executes in a timely manner and focuses on causes and not symptoms.

The system proposed adds the most value when management steps are transparent. Experts in each function identify their needs, wants and solutions necessary to achieve their goals. Sets of actions are developed and aligned with the management barriers necessary to ensure events are managed in an efficient way. These are then incorporated into the previous actions and feedback from ongoing projects to create a portfolio.

Decisions are made clear, synergies identified as accounting has valued the true benefit and total cost benefit each action can have (using actual costs as opposed to budget figures). Actions that are no longer timely can be adjusted, or stopped, and new actions developed.



Management now have a system that compares actions from different functions on a level playing field and has evidence to continue or stop projects based on actual cost benefit. The result are actions at the right time, in the right place and solving problems, not symptoms. This is key in ensuring sustainability.

This continuous business model, formulated around a system as opposed to a process, solves some of the common issues today. Namely:

- Risk managers cant show the value they provide
- Asset managers keep paying out for repetitive “fixes”
- Some key investments are not being made as the silo cost benefit is not sufficient to warrant success
- Funding expensive, severity driven, solutions but being hit by smaller, frequent, issues
- Uncertainty surrounding making the right solution at the right time and in the right place with so many issues to handle.

We can help answer some of these challenges and have formulated then into three modules which help in the decision-making process.

Transforming operational risk management into a sustainable system

I. Risk Management

The risk management function is effective when it can be shown that its helping the company reach its strategic goals. In industry this can be interpreted as

- Stabilising the bottom line
- Growing the top line
- Making it sustainable in the long term

Actions identified, developed and reported are one part of the story. AT-IPIC Group can help show, through implementation and valuation, that they are, when combined, achieving or playing a part in achieving these goals. (SEE SPEPARATE FACT SHEET ON RISK MANAGEMENT)

II. Performance Enhancement

Through the right application of new KPI's, focus on vulnerability drivers and value creation actions we can show how investments are not quick fixes but sustainable investments. Targeting root causes and management systems, and through a transformation of company culture, we can help improve reliability which consequentially improve quality, environment, safety, asset integrity and CSR/GRC goals. (SEE SPEPARATE FACT SHEET ON PROCESS ENHANCEMENT)

III. Prioritisation

An inundation of new regulations, changing targets, customer needs and funding restrictions all combine to make it difficult to ensure action efficiency is optimised. As different functions with different performance measures all fight for the same funding its key to ensure we generate the best effect for the lowest cost. Identification of synergies, barrier effectiveness and valuation of impact can help to prioritise actions. (SEE SPEPARATE FACT SHEET ON PRIORITISATION)

As these are all being addressed simultaneously, they form a system which is sustainable, flexible and dynamic enough to be affective And efficient and help transform your business model to one suits to todays needs