



Creating a Solid Defence: Istria Helps OCCAR Achieve Risk Maturity

The Organisation Conjointe de Coopération en matière d' Armement (OCCAR) was established in 1996 by the Defence Ministers of France, Germany, Italy and the UK. Its aim is to provide more effective and efficient arrangements for the management of collaborative armament programmes. In 2003 and 2005, the founding nations were joined by Belgium and Spain respectively. OCCAR commands a multi-billion dollar budget and is responsible for numerous multinational projects such as the A400M, FSAF and Cobra

The Challenge

To be recognised as a centre of excellence in programme and risk management

Under the terms of its Convention, OCCAR-EA is required to operate a formal system of risk management processes based on best practice methods.

However, following the initial implementation of its risk management framework, OCCAR identified that parts of the organisation had varying degrees of success when attempting to integrate the new techniques into their project and programme management.

Some had given up altogether and failed to achieve the expected benefits

As the Chief Risk Officer at OCCAR-EA noted *"Often people's expectations of risk management were unclear or unrealistic. We needed to benchmark our current performance in this area and develop a clear vision for the future"*

OCCAR issued a competitive tender for a risk audit and maturity assessment. It selected Istria for its extensive knowledge in the Aerospace and Defence Industry, together with its deep expertise in risk management. Istria was able to compare OCCAR's performance against other defence organisations, together with the ability to implement best practice techniques from other industries.

The Solution

Development of a Risk Maturity Model to track progress towards best practice and produce a roadmap for implementation

Develop objective framework

Agree target risk maturity

Assess existing risk maturity

Conduct gap analysis

Create roadmap for change

Working with Istria, OCCAR quickly realised that it needed to benchmark its existing performance. A framework was developed in order to assess current risk management maturity in the organisation.

This model needed to be able to quickly target weaknesses without becoming a constraint or alienating program and project personnel.



OCCAR and Istria worked together to define this risk management model. A list of 13 critical assessment criteria were developed, based on the four key domains of Process, Implementation, Culture and Integration. OCCAR wished to assess the maturity of each area of the organisation based on four levels of development (from a basic level of understanding to expert user).

In developing the Maturity Model for OCCAR, Istria brought with it a wealth of experience to provide a benchmark, based on inputs from the Defence Industry, the Office of Government Commerce, the Programme Management Institute and over two decades of client experience.

Extract from Risk Maturity Model (cleansed of confidential data)

Key Assessment Criteria	Level 4 – Basic / No understanding	Level 3 – Weak Performer	Level 2 – Strong Performer	Level 1 - Expert
Risk Register	Lack of defined / consistent parameters leading to poor quality data and much missing data.	Parameters defined but used inconsistently. Often data items are missing / incorrect	Parameters defined but not regularly updated. Reports are generated but not used correctly in the decision-making process	Clearly defined and integrated risk registers. Updated regularly and used to generate reports to aid management decisions.
Risk Tools	No risk tools in place	Limited application of a single risk tool (e.g. qualitative risk register only)	Risk analysis e.g. 3 point estimate, and risk register, but not integrated with each other	Tools consistently applied and integrated with each other by mutual practices.

Having developed an objective framework for the assessment, Istria and OCCAR set about determining the target maturity level for each part of the organisation against the 13 critical assessment criteria. Attaining expert status is not always cost effective for all parts of an organisation

Having defined the target, Istria embarked on a current state assessment of the maturity of each of the areas within OCCAR-EA. Istria conducted on-site audits at each of the operational facilities and interviewed key stakeholders on all of the projects and departments within scope.

This ensured continued buy-in for improving the risk management process from senior personnel and ground-level staff alike.

Once the current state and target maturity levels had been assessed using the objective maturity model, conducting the gap analysis and creating a roadmap for change flowed easily.

Domain	Criteria	Project			
		A	B	C	D
Process	a	3	3	2	3
	b	4	3	4	3
	c	4	2	1	3
	d	3	2	2	3
Implementation	e	2	3	3	2
	f	3	3	3	3
	g	3	3	4	4
Culture	i	3	3	1	3
	j	2	3	2	2
	k	3	4	4	2
Integration	l	2	3	3	3
	m	2	3	3	4
Maturity Level		44%	33%	38%	33%
Average Maturity Level		37%			

Sample Output: Current Risk Maturity Status across projects

The Reward

An increased awareness of the value of risk management throughout the organisation, improved processes and bottom line cost savings

OCCAR found the Risk Maturity assessment an illuminating experience, highlighting major shortfalls in their risk management process and tools. There were unexpected benefits from a cultural perspective also. As the Chief Risk Officer comments

"Istria's maturity assessment provided us with a clear roadmap for change in order to enhance and improve the effectiveness of our risk management. However, it generated more value than we had ever anticipated by raising awareness of the importance of risk management with directors and employees. Senior stakeholders now understand the value risk management can bring and we now have a model for continuous improvement on which to build"

For more information on this case study, go to www.istria-ltd.com or email info@istria-ltd.com

