



**Neil Strickland**

Director,  
RSA Global Consulting



**Martin Turner**

Deputy Director,  
RSA Global Consulting

## The issue of standards:

*Embedding loss prevention standards in large organisations*

By inviting risk managers to share their own challenges, this workshop will consider solutions for developing, disseminating and maintaining property and casualty loss prevention standards in large and complex organisations.

Common questions include:

- What are appropriate standards: compliance or best practice?
- How can penetration be maximised?
- What are the right tools and techniques?

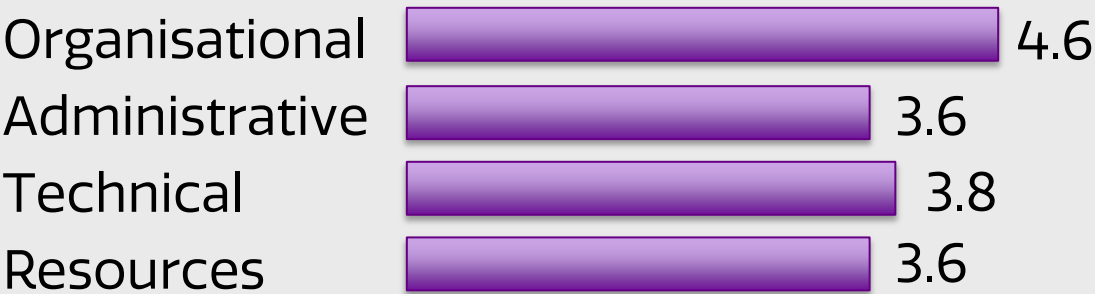
RSA will also share two case studies:

- Evolving corporate loss prevention strategy by comparing property loss control performance against sector peers
- Using new systems and tools to reach smaller, lower value sites where traditional risk control surveys would be uneconomic.

WE ASKED YOU...



Thinking about the challenges in developing, disseminating and maintaining property and casualty loss prevention standards in large and complex organisations, how would you rate each of the following factors?  
From 1 (not at all significant) to 5 (very significant):





## WE ASKED YOU...



Adding some detail, what challenges have you faced in respect to your answers above?

"Each part of the business operates in a **silo** and has **different procedures** / slightly **different business models**. We also operate in a unique market whereby most solutions are of a **proto-typical** nature."

"Achieving a **consistent** approach from the team"

"Dealing with cross **cultural** and **international** standards."

"The key is having the right **culture and support** within the business organisation and that must **come from the top**."

"Organisational: **Top-level buy in & sponsorship**  
**Own** corporate standard, **own** RM measures align or surpass insurer requirements  
Administrative: should be kept simple, **use of technology** to support.  
Resources: boils down to allocation of resources and high level buy-in. **If there is a will, there is a way**. Prioritize accordingly."

# WHAT CHALLENGES DO YOU FACE?



Loss prevention has evolved over the years but many large organisations still face challenges when trying to ensure loss prevention standards are implemented effectively.

Now, we want to find out what your challenges are and how you deal with them. Simply fill in your answers in the space provided.

What challenges do you face?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_




\_\_\_\_\_



\_\_\_\_\_

	Organisational	
	Administrative	
	Technical	
	Resources	
	Other	

# WHAT CHALLENGES DO YOU FACE?



 Organisational		 Administrative		 Technical	
<ul style="list-style-type: none"><li>• Communication</li><li>• Culture:<ul style="list-style-type: none"><li>– Morale</li><li>– Environment</li><li>– Behavioural</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Size</li><li>• Complexity</li><li>• Geography</li><li>• Language</li><li>• Culture</li><li>• Jurisdictions</li></ul>		<ul style="list-style-type: none"><li>• Distribution</li><li>• Access</li><li>• Auditing</li><li>• Maintenance</li></ul>	<ul style="list-style-type: none"><li>• Understanding (of the risk)</li><li>• Inconsistency</li><li>• Confidence</li></ul>	<ul style="list-style-type: none"><li>• Best practice v. compliance</li><li>• Sector expertise</li><li>• Targets</li><li>• International v local</li></ul>

 Resources		 Other	
<ul style="list-style-type: none"><li>• Budgetary pressure (cost)</li></ul>	<ul style="list-style-type: none"><li>• Expertise</li><li>• Availability</li><li>• Systems</li><li>• Tools</li></ul>	<ul style="list-style-type: none"><li>• Procurement (cost) driven</li><li>• Motivation / incentive</li><li>• Industry sector</li></ul>	



# Case study 1

---



How to evolve corporate loss prevention strategy by comparing property loss control performance against sector peers

---

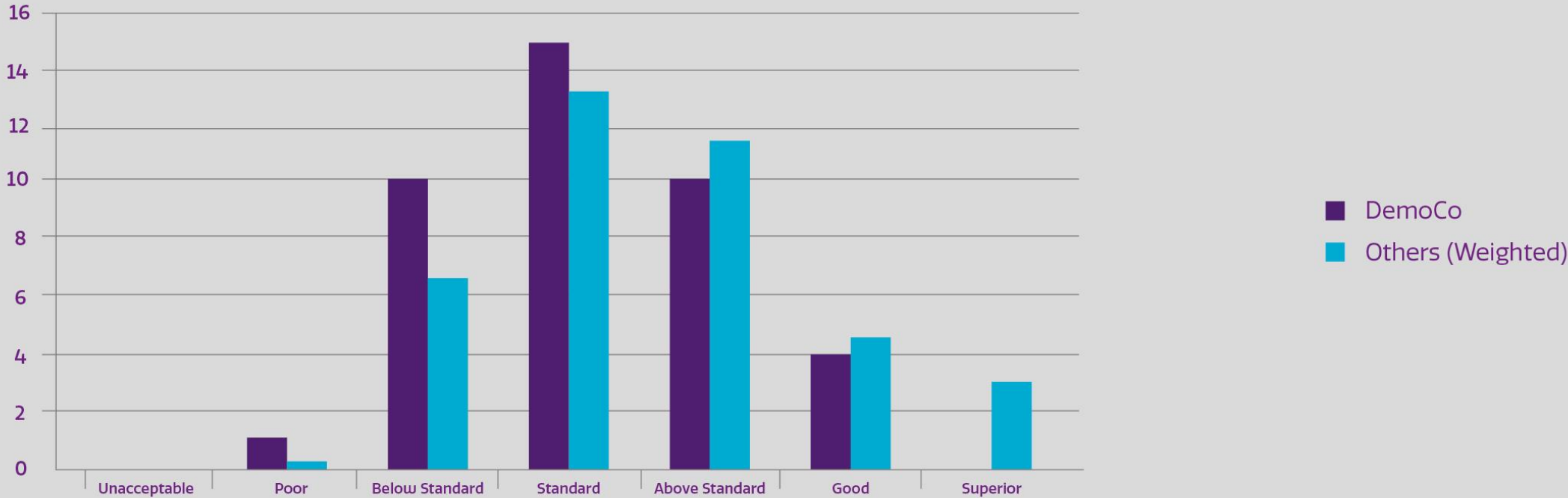


## SOURCE DATA

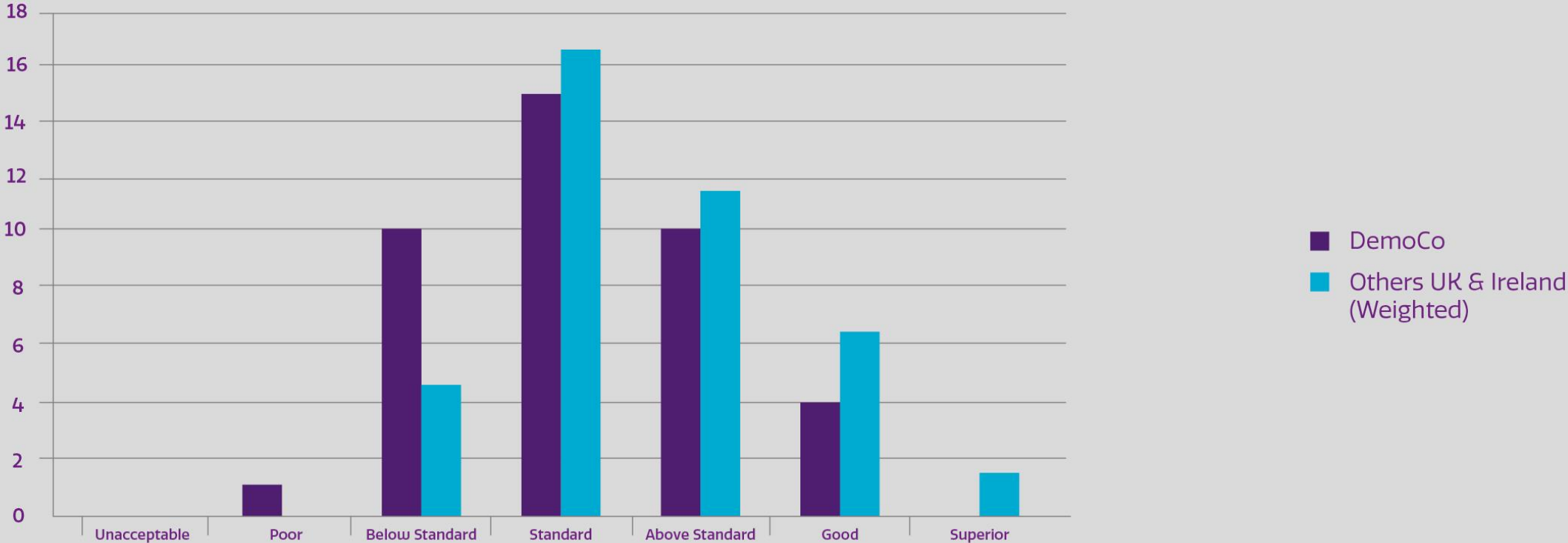


		
<b>Composition</b>	DemoCo Food Group	Largest 5 other food manufacturer programmes led by RSA
<b>Occupancy</b>	Primary & added value meat, ready meals and snack foods	As DemoCo plus dairy and food ingredients
<b>Regions</b>	UK & Ireland	UK & Ireland and Global
<b>Surveyed sites (last 2 years)</b>	40	131
<b>Risk Improvement Recommendations (last 10 years)</b>	1,081	4,423
<b>Approx. PD/BI insured value of surveyed sites (last 2 years)</b>	£3b	£9b

# CURRENT QRA RISK QUALITY – ALL OTHER



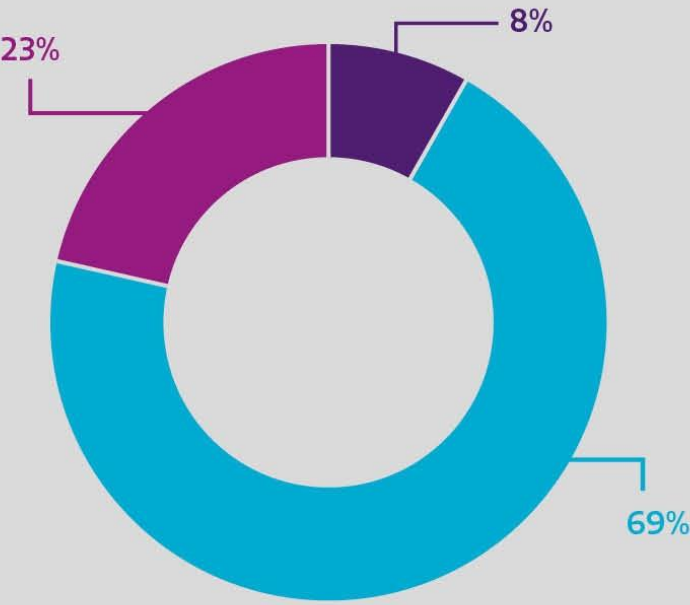
# CURRENT QRA RISK QUALITY – UK & IRELAND



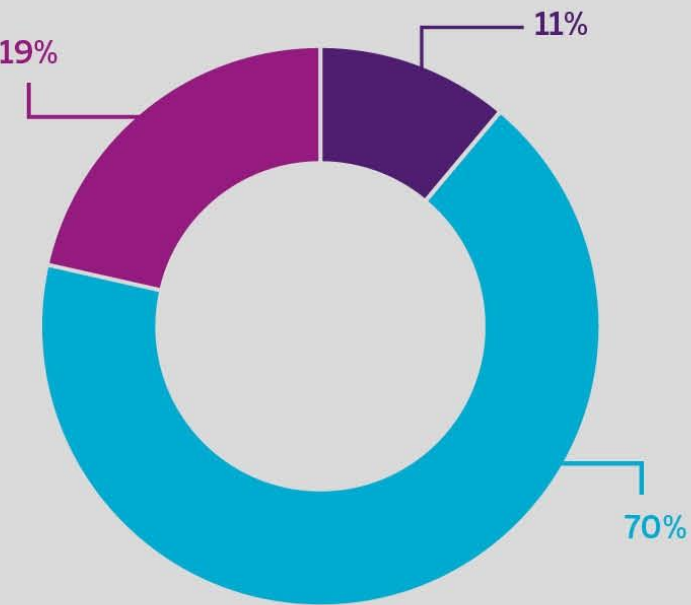
# RISK IMPROVEMENT STATUS – SUMMARY



DemoCo:



RSA:

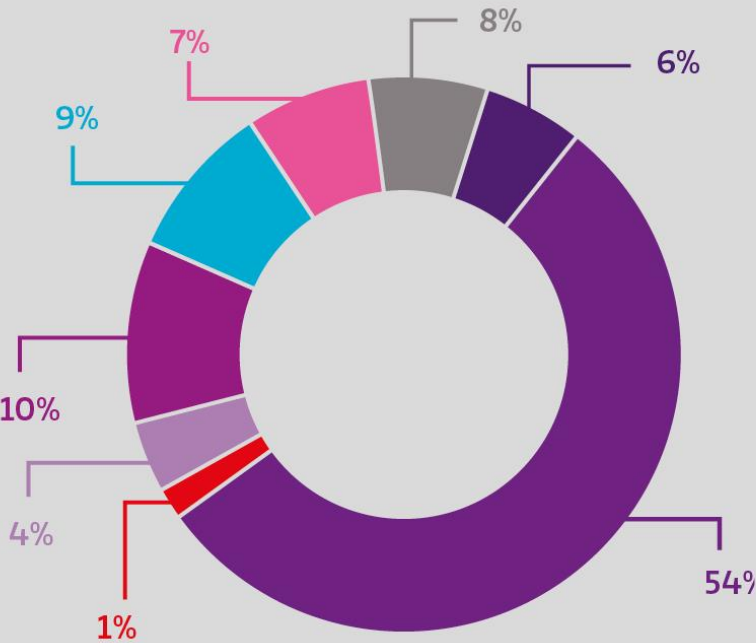


- Awaiting Response
- Completed or NLV
- Incomplete

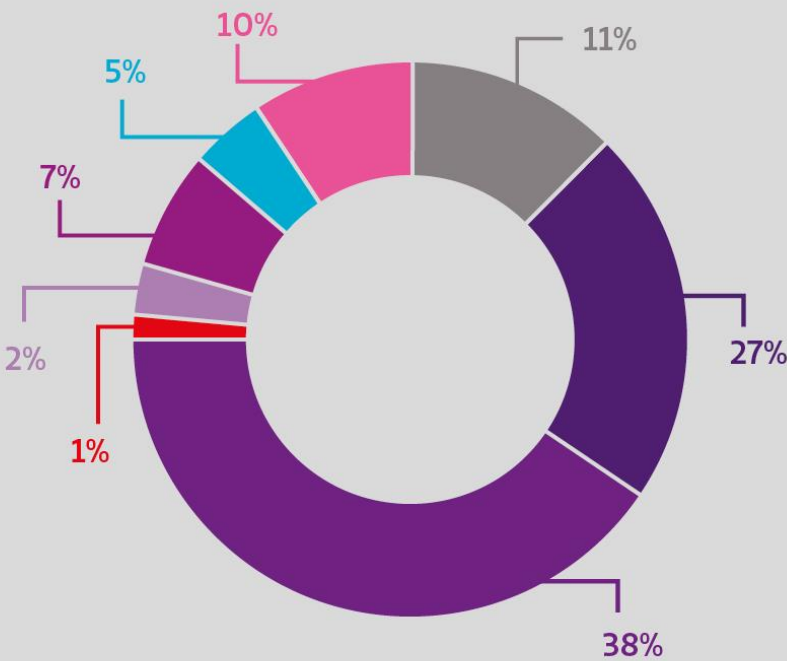
# RISK IMPROVEMENT STATUS- ALL CATEGORIES



DemoCo:



RSA:



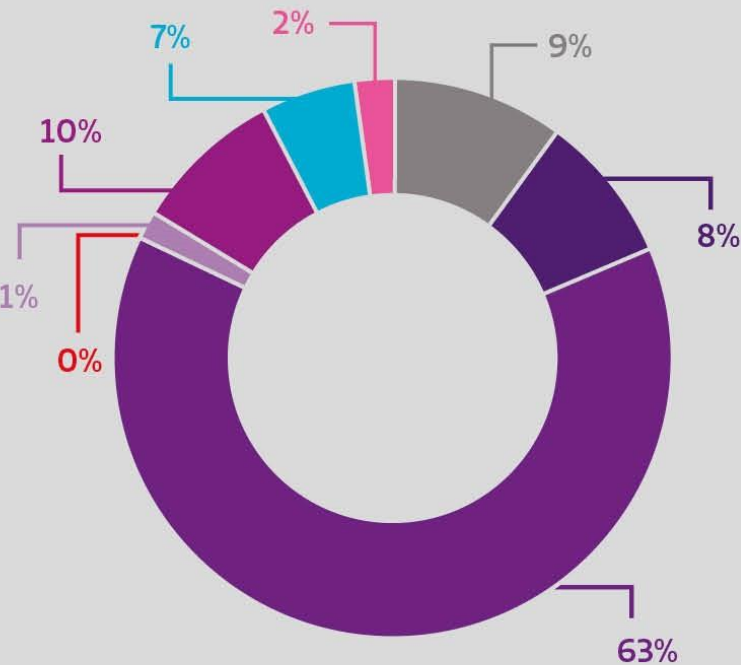
- Awaiting Response
- Completed Notified
- Completed Verified
- Deferred By Account Manager
- Disagree/ No plans
- In Process
- No Longer Valid
- Under Review



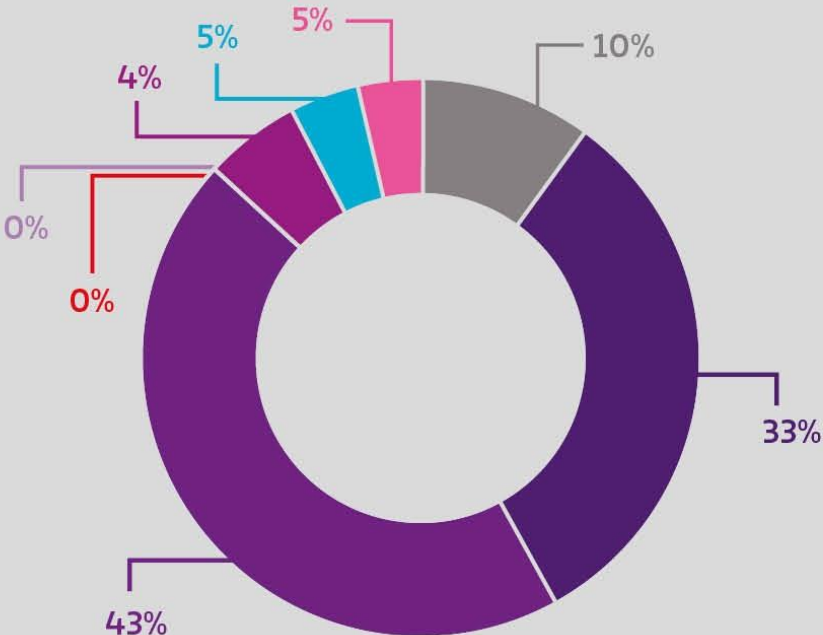
# RISK IMPROVEMENT STATUS – HE/M ONLY



DemoCo:



RSA:

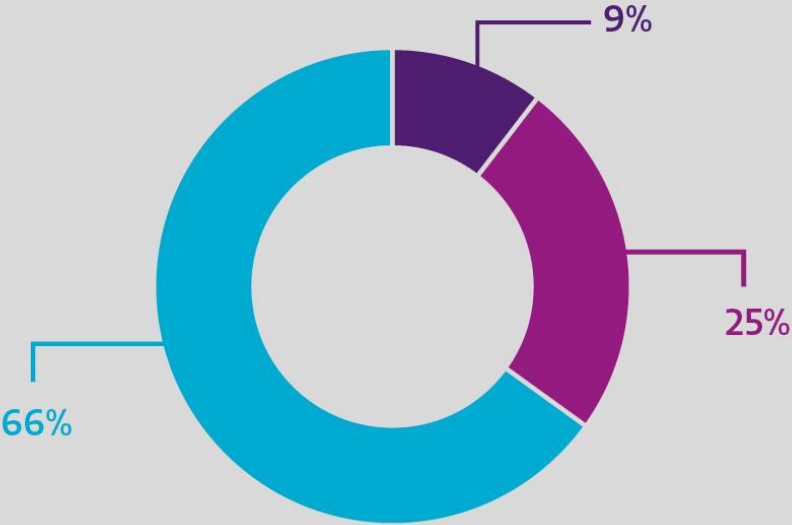


- Awaiting Response
- Completed Notified
- Completed Verified
- Deferred By Account Manager
- Disagree/ No plans
- In Process
- No Longer Valid
- Under Review

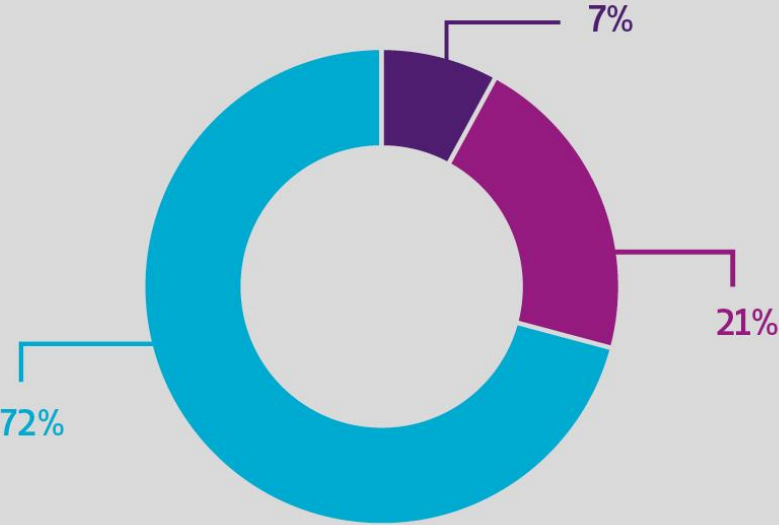
# RISK IMPROVEMENTS BY CATEGORY



DemoCo:

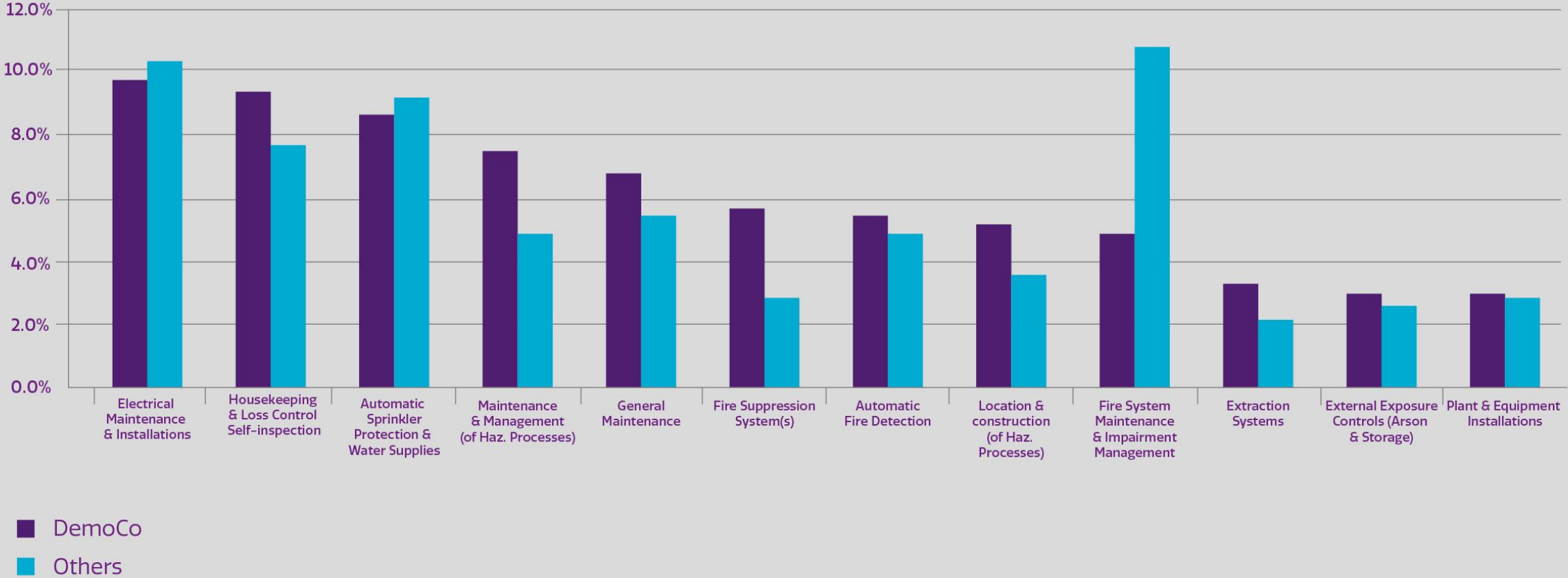


RSA:





- Cat.1
- Cat.2
- HE/M

# RISK IMPROVEMENT FACTORS (DEMOCO TOP 12)



## WHY THE DIFFERENCE IN RISK PROFILE?

		
<b>Occupancy</b>	Mixture of low hazard sites and hazardous processes	Mixture of low hazard sites and hazardous processes
<b>Risk Improvements / engagement</b>	Typical spread of CapEx and low/no cost items, with good response rates	Typical spread of CapEx and low/no cost items, with good response rates
<b>Human Element Standards</b>	Favourable; supported by risk improvement recs. made and completed	Favourable; supported by risk improvement recs. made and completed
<b>Adequately sprinklered (by plan area)</b>	20%	51%
<b>Construction and compartmentation</b>	Less favourable. Significant combustible composite panel legacy.	Favourable. Reduced combustible composite panel legacy.
<b>'Unprotected' exposure (CNLE / EML Block [%])</b>	75%	45%

## CASE STUDY 1: SUMMARY



- ✓ Engaged customer with high aspirations
- ✓ Diligent adherence to loss prevention standards and strategy
- ✓ Good loss experience and long-standing partnerships
- ✓ Much progress made

### But...

- Measuring against internal benchmarks and targets
- Risk quality lagging sector peers
- Hitting a plateau?

### Conclusions

- The importance of changing context on the 'right' standards and strategy
- External calibration is an important tool
- 'Engagement' needs to have breadth and depth

### Actions

- Reboot strategy; from "achieve good consistent minimum standard" to "best in class"
- (Re)engage with the organisation, especially for financing and managing CapEx projects; redefine intentions of "*as and when the opportunity arises*"
- Link to wider company values
- Keep doing the other things; evolution, not replacement
- Make benchmarking part of annual review process
- Periodically review and adjust approach



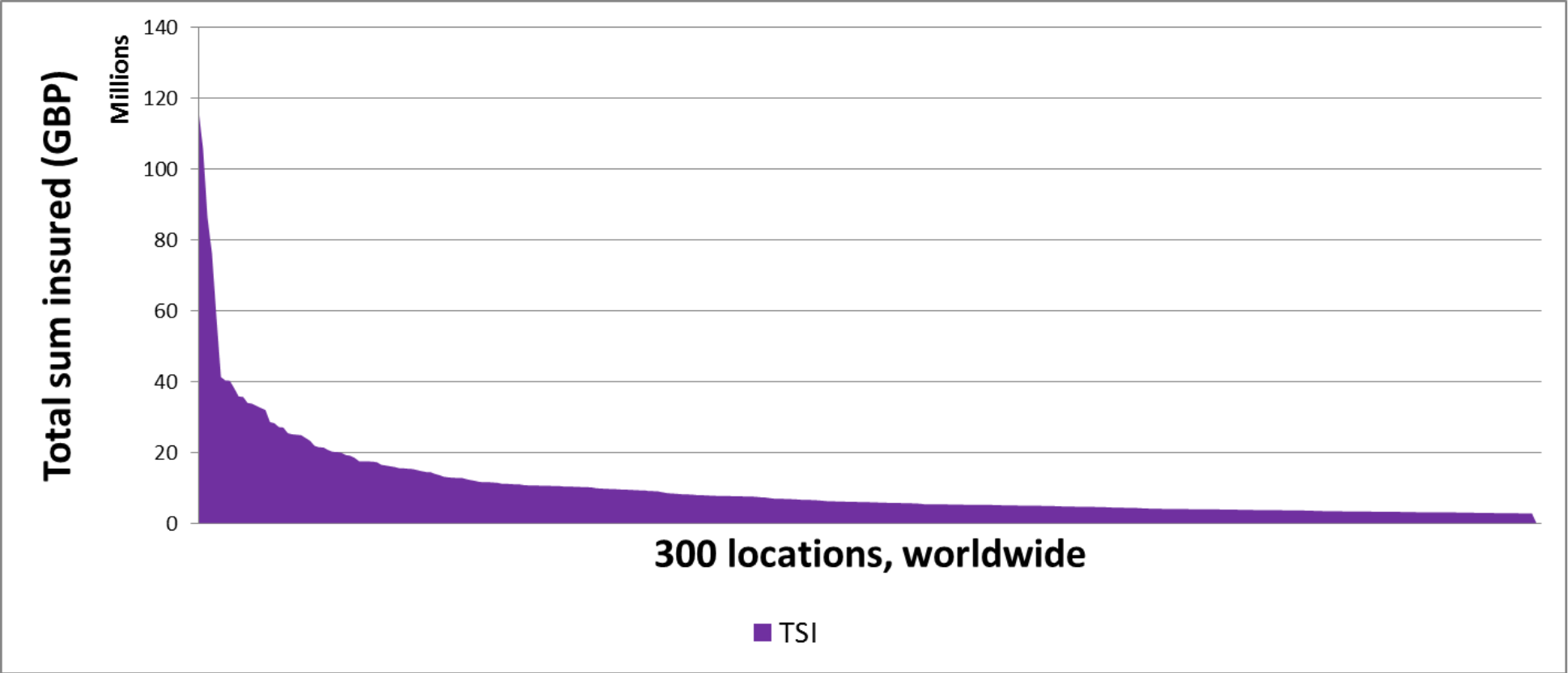
# Case study 2

---

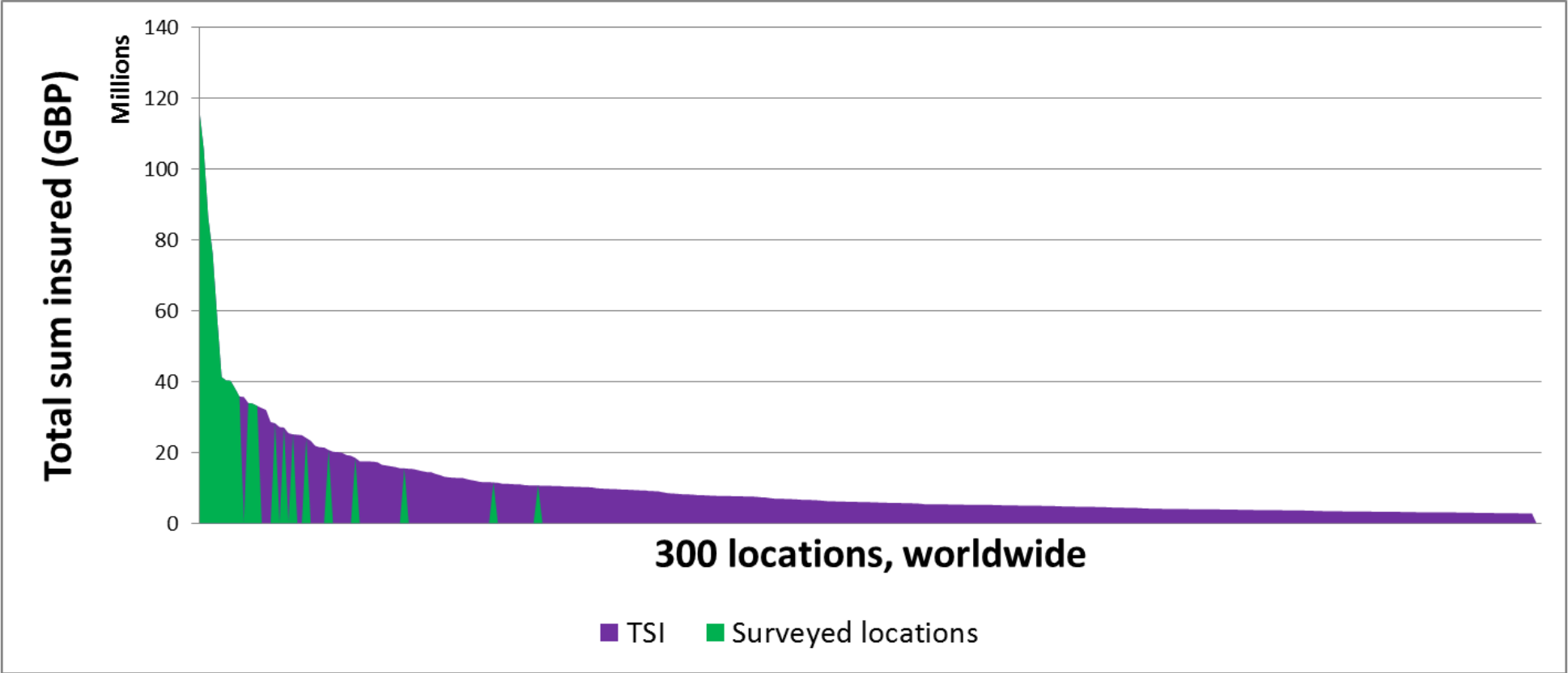
Using new systems and tools to reach smaller, lower value sites where traditional risk control surveys would be uneconomic

---

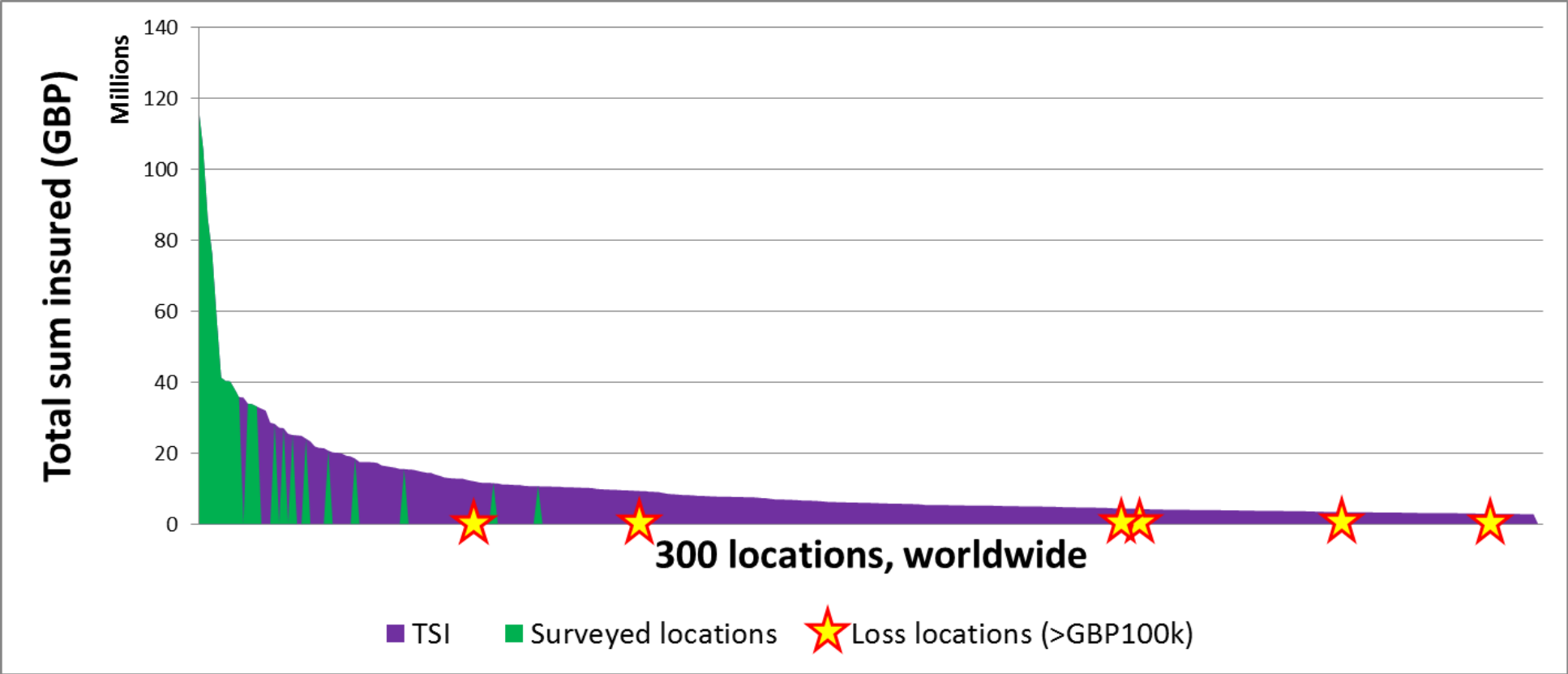
# THE CHALLENGE: PENETRATION



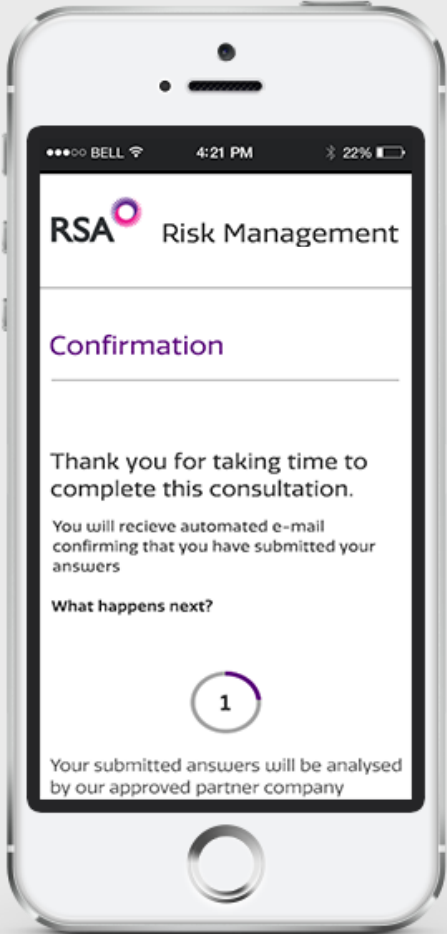
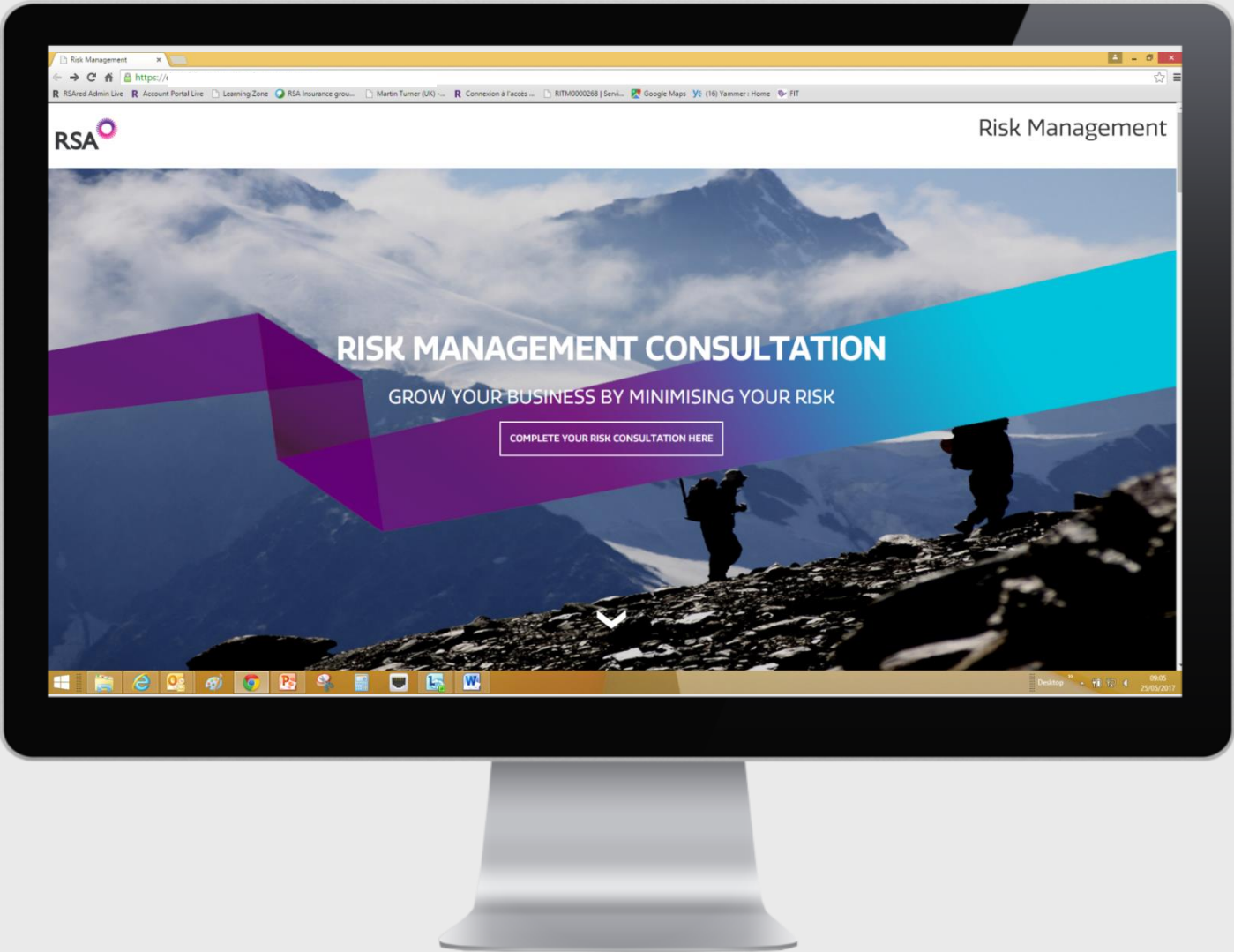
# THE CHALLENGE: PENETRATION



# THE CHALLENGE: PENETRATION



# ONLINE SELF-ASSESSMENT





# OUTPUTS: SYSTEM-GENERATED RISK IMPROVEMENT REPORT



RSA  
RSA Insurance Group  
Global Consulting  
20 Fenchurch Street,  
London,  
EC3M 3AU  
Email: [globalcentre.globalconsulting@uk.rsagroup.com](mailto:globalcentre.globalconsulting@uk.rsagroup.com)

**DemoCo Belgium NV**

**Streetweg 22**

**Antwerpen, Belgium**

**Risk Improvement Report**

**Location: Streetweg 22**  
**Haven 123, Antwerpen**  
**Belgium**

Royal & Sun Alliance Insurance plc (No. 63762). Registered in England and Wales at St. Mark's Court, Chart  
1XL. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and

RSA

Insured: DemoCo Belgium NV      Date issued: 22nd May 2017  
Policy Number:      Reference: EQS-00365545-705C-001  
Risk Address: Streetweg 22, Haven 123, Antwerpen, Belgium

**Risk Improvement Section**

**2017-05-01 - Storage of Combustibles within 10 metres of any Buildings**

**Risk Improvement**

Ensure waste skips are located at least 10m from the external walls of the building. If it is not possible to achieve 10 metres, you should only use fully enclosed, lockable waste skips of steel construction, including the access hatches. Keep access hatches closed at all times and lock them outside of working hours. Fixed proprietary rubbish compactor units of steel construction will also be acceptable within 10 metres of the building.

Knowledge is essential when managing business risk and this is where RSA eLearn can help. The following link will assist you in understanding the risk of arson and the impact on Industry.  
<http://www.rsaelearn.com/course/view.php?id=13>

If you require details of companies who can assist with this risk improvement, please contact the RSA helpline.

**Deficiency**

You have confirmed within your RSA Self Assessment that you externally store combustible materials, waste or pallets within 10 metres of any building.

The build-up of combustible materials, waste or pallets within 10 metres of any building is a major arson risk that exposes your premises to fire.

**2017-05-02 - Portable Electrical Appliance Testing**

**Risk Improvement**

Implement a system of inspection and testing of portable electrical appliances by a suitably competent person. The frequency of inspection and testing is not stipulated in The Electricity at Work Regulations. In order for you to demonstrate due diligence in meeting this requirement, the frequency should reflect the use to which the equipment is put, e.g. a photocopier would not need to be examined as frequently as a hand held power-tool on the shop floor.

Any remedial work must be completed immediately or the appliance taken out of service.

To help you understand your responsibilities, please find enclosed the supporting information to assist.

If you require details of service providers within your local area that can assist you with any portable electrical appliance testing please contact the RSA helpline.

**Deficiency**

You have confirmed within your RSA Self Assessment that you do not have in place a Portable Appliance Testing (PAT) procedure for your portable electrical appliances, e.g. kettles, fan heaters etc.

Portable electrical appliances and supply cables through their mobility are prone to damage which can compromise their safety. Several work-related fatalities or personal injuries occur each year in relation to this

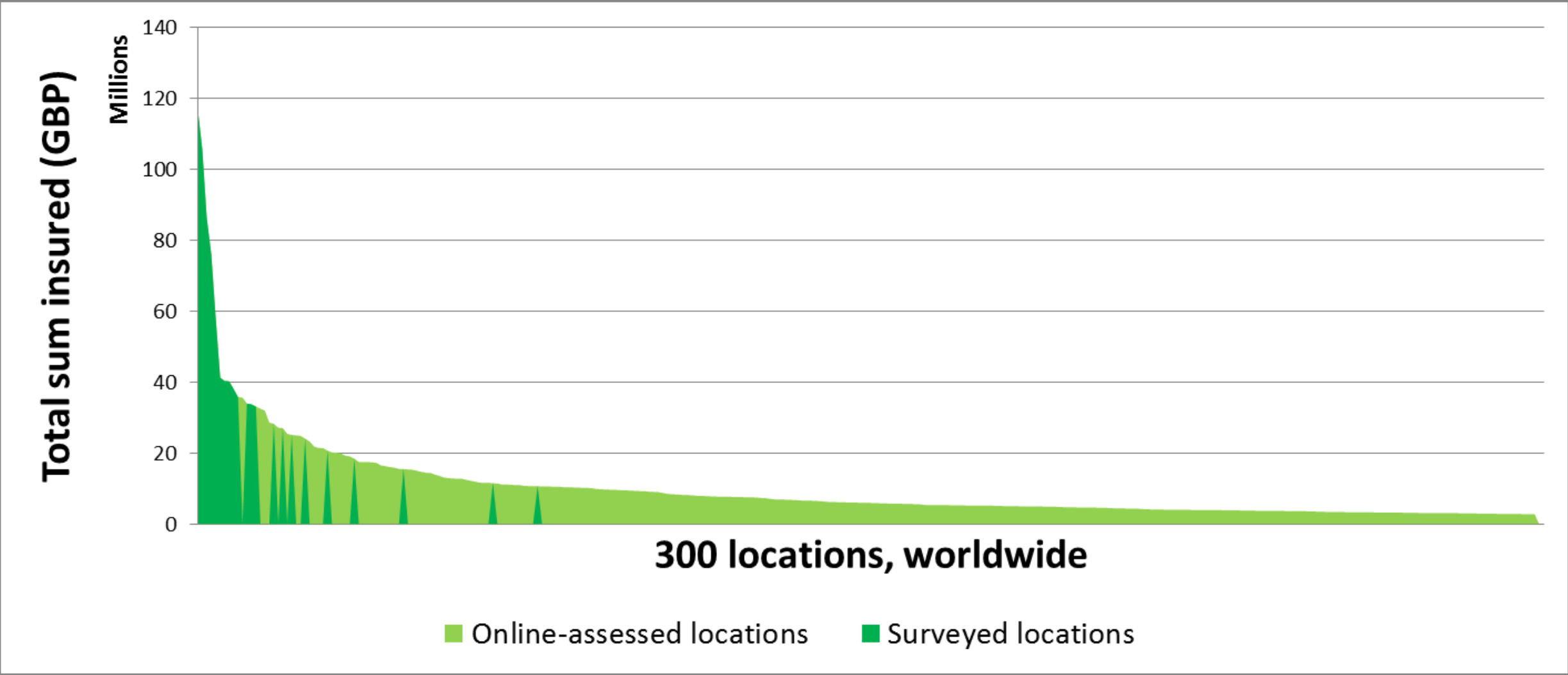
- Actions tailored to assessment responses
- Links to eLearn modules
- Supplementary risk guidance notes
- Telephone support for implementation
- Responses captured

# OUTPUTS: DATA ANALYTICS



- MI dashboard based on responses and risk improvement status
- Trends identified
- Targeted training or corporate standards
- Intelligent selection of sites for survey

THE RESULT: PENETRATION



# SUMMARY



Organisational		Administrative		Technical	
Suspendisse nonEtiam est lectus, ultricies eget dolor eu,	Suspendisse nonEtiam est lectus, ultricies eget dolor eu,	Suspendisse nonEtiam est lectus, ultricies eget dolor eu,	Suspendisse nonEtiam est lectus, ultricies eget dolor eu,	Suspendisse nonEtiam est lectus, ultricies eget dolor eu,	Suspendisse nonEtiam est lectus, ultricies eget dolor eu,

Resources		Other	
Suspendisse nonEtiam est lectus, ultricies eget dolor eu,	Suspendisse nonEtiam est lectus, ultricies eget dolor eu,	Suspendisse nonEtiam est lectus, ultricies eget dolor eu,	Suspendisse nonEtiam est lectus, ultricies eget dolor eu,

