

Managing risk-aware CULTURE

TWP has teamed up with CorProfit to achieve a more scientific approach to risk management and strategic thinking.

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EPCM (ENGINEERING, PROCUREMENT, Construction and Management) has become one of the norms in the way mining infrastructure is built. The mining house effectively outsources the design and construction to third parties and by implication seeks to minimise the risks faced by the mining house to costs blowing out. Of course the idea here is that the EPCM consultant knows how to manage the risks.

TWP is the largest EPCM consultant in Africa, with a core competency in the minerals and mining industries. Over the last several years, it has been achieving a great degree of success in creating awareness of risk management across several facets of project delivery. Examples include the giant miner, Anglo Platinum where most of the projects now come under a consistent methodology, supported by a 'common language', i.e. risks, consequences, controls defined through a common knowledge base. The risk process is applied from as early as possible, such as bankable feasibility, pre-feasibility, design of mining methods and so on until commission and handover.

The approach allows all types of risks to be measured on a like-for-like basis, enabling management to see a consolidated view of risk exposures in different areas, e.g. financial, commodity,



procurement (supply chain), operational readiness and performance, capital management, project management, event risks, infrastructure and services, employees, health & safety, environmental risks and political. Steven Abrahams, Head of Department, TWP Risk Management, noted that it is vital to use a good risk management system to support the frontline efforts of bringing together the contribution of all parties to having effective risk management. It was worth the investment in partnering with CorProfit Systems, who rounded out the TWP methodology, bringing a science to the risk process and changing culture. A more scientific approach has shifted the area of focus from risk identification and assessment to risk management and strategic thinking, i.e. focussing on the Control and Action Management Programs in order to manage risks and demonstrate the benefits of better resource allocation. The result of this has been transformational – a risk-aware culture is becoming more ingrained in a tangible way as an integral part of day-to-day business. ■