Automated Risk Mitigation Action Planning Supports A Myriad Of Construction Projects

Established in 1864 in Ann Arbor, Michigan, McCarthy Building Companies' roots began small, but proved to be mighty. The organization has now shifted to be 100% employee owned and is recognized as the #1 healthcare builder in America. From airports to ports and sports stadiums to medical centers and solar fields, McCarthy approaches each project with trust and authenticity to deliver on the organization's goal of being the best builder in America.

Overview

Prior to relying on Origami Risk, McCarthy had foundational risk management processes in place that were not automated. McCarthy did not use a risk management technology system. The programs implemented in Origami were developed from scratch based on out-of-the-box functionality, and then configured to best suit McCarthy's rigorous objectives and compliance standards.

Ultimately, Origami and McCarthy partnered to develop a program for identifying per-project risks and connecting their risk management information system (RMIS), enterprise risk management (ERM), and safety data.

At A Glance

ADDRESSING PROJECT RISKS

McCarthy participates in over 200 construction projects per year. Each of these projects contains its own set of risks. Project work can span more than a year's time; during which associated risks often ebb and flow. Given this variance, the organization needs consistent, up-to-date, and reliable risk assessment information. If McCarthy fails to proactively address the potential risks related to each project, they can face substantial legal, financial, and reputational risks.

"From exceptional levels of quality and safety — to ease of maintenance over time, we [McCarthy] are firmly committed to helping our clients and partners achieve the short-and long-term strategic goals of every project we do."

SOLUTIONS
- Enterprise Risk Management (ERM)
- Claims, Certificates (including OCR)
- Project Management (Locations, Exposures, Contracts, and Policies)

SOLUTION SUITES
- Governance, Risk, and Compliance (GRC)
- Risk Management Information System (RMIS)

RESULTS
- Creation of the MAP (Mitigation Action Planning) Program
- Fully-automated risk identification and project briefs through questionnaire completion by project managers
- Connected view of risks, insurance certificates, risk action plans, and MAP questionnaires
- Project managers can score risks associated with specific projects and impacts
- Notification to the ethics and compliance team if no action is taken, so reasoning and compliance applicability can be assessed

SUCCESS SPOTLIGHT:

Mitigation Action Planning (MAP) Program

CHALLENGE

McCarthy operates in a highly-regulated industry that has experienced incredible challenges over the past few years. To meet these challenges and rising rates of associated risks, McCarthy instituted a more robust risk management mitigation program. Dubbed the Mitigation Action Plan (MAP), the program was formed to more effectively streamline the risk management process for project teams and provide a single source of information for the organization's vice president of ethics and compliance (E&C), associated stakeholders, and auditors.

In the program, risk information flows across the Compliance and Risk teams to support a more cohesive program that breaks down organizational silos — bringing all functions under one umbrella. For MAP to be impactful and supported, buy-in across the senior management and operations team is critical.

SOLUTION

For McCarthy, MAP and the underlying Origami Risk system allow for the exchange of information across one singular system of risk management information systems (RMIS), enterprise risk management (ERM), and audit technology.

At the heart of the MAP program is the MAP Questionnaire. This form contains a mix of both pre-populated and open-ended questions. For each project, the project's management team completes the questionnaire. In doing so, they enter client- and project-specific details;

identify members of the project management team; provide environmental, crane, Department of Transportation, diversity, equity & inclusion (DEI) information; and much more.

Once completed, the questionnaire provides an output that includes: associated project risks, risk statements, mitigation recommendations and techniques, inherent risk score factors, and residual score factors and likelihood. The risk statements are mapped to show if they are active, the hierarchy and category of the risk (e.g., environmental compliance < air quality), details about how the project interacts with this hierarchy, risk status, special requirements for the project as related to the hierarchy, and mitigation techniques.

In addition, the MAP program requires the project manager to identify which MAP initiatives or mitigation techniques will be used to diffuse the potential risk impact. If a technique is not implemented, the team must indicate this along with the reason for omitting the use of mitigation. The ethics and compliance team is then notified to review and address with the project manager if applicable. This ensures a full understanding of the risk, associated information, and compliance lifecycle.

The MAP enables McCarthy to see a full risk profile, allowing the team to best identify where risks actually lie and how successful the organization is at managing those risks. It serves as an educational tool that can be shared with the company's Ethics & Compliance Committee, the Executive Committee, and Board of Directors. Subject matter experts (SMEs) can also share this information with their own departments and adjust accordingly.
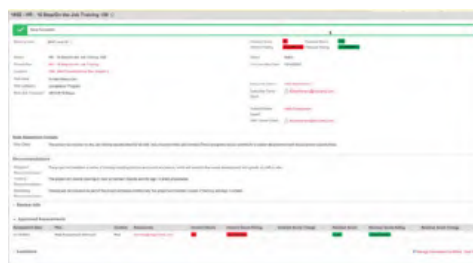
This provides a more accurate view of where training needs to be adjusted to better support teams. It also allows McCarthy to take a more focused view on how the organization manages their current markets and indicates if adjustments are needed. Lastly, it enables the ethics and compliance team to work as coaches or partners with the organization instead of being viewed as an "enforcer."

Looking Ahead

Effectively and efficiently pre-planning for and managing potential risk areas and compliance requirements are consistent priorities across the construction industry. A program like MAP offers an innovative and scalable approach that can have a significant impact on outcomes.

Implementing the MAP Program also offers an opportunity for improved consistency on compliance management across the enterprise, improves understanding about how to manage risk and relevant compliance requirements and also improves clarity for field employees by streamlining the "ask" so they understand the path forward. Lastly, this helps assist a company in meeting its overall commitment to create great experiences for everyone involved with its projects and ultimately improves final outcomes.

To fulfill McCarthy's vision, Origami made a trustworthy partner due to the flexibility of the solution and the agile ability to accommodate and implement. The team at McCarthy was able to clearly define a risk technology project vision and Origami was positioned to translate this into technical requirements.

In continuing their expansive risk and compliance work with Origami, McCarthy is considering linking the number of incidents to risk or events to projects. This would also provide the team with the ability to identify how many claims are linked to projects.

The increased interconnectedness of system capabilities and across internal teams improves efficiencies, which in turn saves costs, decreasing the likelihood of regulatory fines or penalties, enhancing employee morale, and facilitating productive relationships with business partners and clients across the country.

> "The MAP Program enables McCarthy to achieve consistency in risk management measures and compliance across the enterprise irrespective of the market segment or where a project is located and the degree of complexity involved."

Allen Gershenson

VICE PRESIDENT
ETHICS AND COMPLIANCE
McCarthy

About Origami Risk
Origami Risk provides integrated SaaS solutions that simplify risk, insurance, compliance, and safety management. Origami delivers its highly configurable RMIS, GRC, EHS, and Healthcare risk management solutions from a secure, scalable platform that includes tools for centralizing data, automating critical workflows, and providing insights into risk and safety initiatives. A singular focus on client success underlies Origami's approach to developing, implementing, and supporting our innovative, award-winning software.

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