

Prevention is better than cure: Robust risk controls need to be in place before growth to prevent poor standards

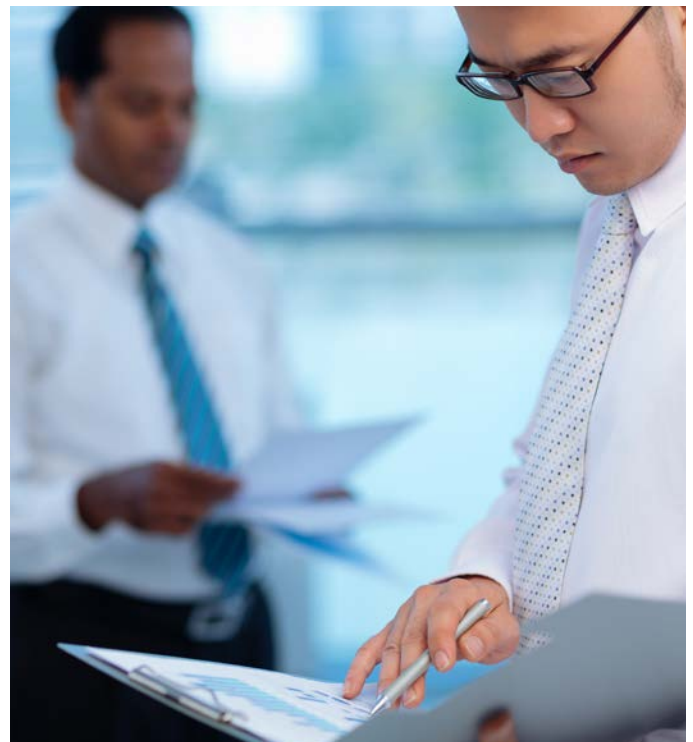
The business started as a cottage industry but had grown rapidly due to its very successful 'one-stop shop' model offering a UK-wide service. The Company's high quality service earned it a solid reputation such that personal referrals were all that was needed to achieve its growth ambitions. As more offices were opened, the consistency was lost and standards began to fall; errors were made and complaints began to emerge. The Company's previously untarnished professional indemnity claims record became peppered with notifications with some severe claims.

Approach

One of the Company's Directors had been tasked with looking at the claims to identify the corrective action that needed to be taken, and it was clear that significant progress had been made by the time our Risk Solutions team were asked to get involved. A business-wide training programme had been introduced and a new IT system implemented to enable rigorous monitoring of the work undertaken. In reviewing the changes made however, it became apparent that the focus was very much on inspection of outputs, and responding to individual complaints and claims rather than trying to set consistent standards for quality and risk management for each office to achieve. QBE worked with the management team to identify how those standards might be established and shared.

Outcome

Whilst numerous ideas were discussed, a quality assurance approach was agreed upon such that the expected standards would be fully defined in writing and shared around the offices. This would proactively set the standard to maintain consistency and quality, and to prevent errors, complaints and claims, and have the added benefit of serving as a basis of reference at each office and form the foundation of training for current and future personnel.



The recommendations made and adopted are summarised below and fit into the **Plan>Do>Check>Act** cycle i.e.:

Plan

- agree what quality gates are needed to ensure quality of service and minimise risk of errors
- identify higher risk work / projects and define the additional controls to be applied for those
- document all processes incorporating standards, risk controls and quality checks
- distribute and train everyone on the documented systems

Do

- add a self-checking process and sign-off to encourage ownership and accountability for results
- provide a means of recording the quality checks, if possible building these in to the IT system

Check

- tailor the inspection programme to deal with closer monitoring on higher risk work
- ensure agendas for key meetings include review of quality and risk data - errors, complaints, near misses etc. (which would require a more structured approach to collecting and analysing MI)
- set up an audit programme to regularly check that all processes are being followed

Act

- Respond to the information obtained through checking by making improvements in risk and quality control.

Risk Manager's Comment

Rapid growth of a business will often lead to an escalation of issues that is disproportionate to the increased volume of work. A comprehensive management framework needs to be established before expansion begins so that protocols and expected standards can be made clear from the outset and give less scope for misunderstanding and assumption. This is a much more proactive approach to risk management than responding in an ad-hoc way to individual complaints and claims, often only on a remedial basis rather than addressing correction and prevention, and supports the old adage that prevention really is better than cure.