Telefonica Case Study

Telefónica is one of the leading integrated telecommunications providers in the world with a total customer base of 101.8 million as of June 2013. Telefónica Europe's operations are undertaking a deep transformation of the business to build a more sustainable model to strengthen its market position and to increase profitability amid a challenging macro and highly competitive environment.

Request

With Madrid & Telefónica Ireland already using Risk based software to support their risk management practices, Liam Callaghan (Telefónica UK Risk & Compliance manager) decided to search the market for a dedicated Risk management solution for the UK operation. Telefónica embarked on a robust tender process Liam searched the market for the top risk software providers, then scored the selected RFP responses against their specific criteria including cost, system functionality & implementation process. Following this process, JCAD RISK was chosen by Liam as the best system to fulfil the business needs meeting the specific challenges of ease of use for the end user and a cost effective solution. Subsequently, Telefonica has upgraded to our new JCAD CORE Risk Management system.

JCAD's consulting team worked closely with Telefónica to establish business requirements and additional system configuration necessary and as a result implementation took a relatively short period of time. Field and table names were updated to be consistent with Telefónica's terminology. The Risk Matrix was modified to meet their own system where the heat map drivers and categorisation and impacts of risk were updated. "The chosen solution needed to aid the management of risk, not just improve the reporting of it. We needed a solution that could be configured to meet the requirements of the corporate team, without costing the Earth. JCAD CORE offered a simple user experience with the required flexibility to support our specific business needs, for an off the shelf price."

Benefits

The introduction of JCAD's risk management software into Telefónica UK has driven huge efficiencies in the centralized coordination of Telefónica's corporate and departmental risks and risk based activities. Rather than relying on individuals within each department to manage the collective, relevant risks, it is now possible for any number of individuals at all levels of the organization who have ownership of a risk to access the system to upload or extract information in a uniform and structured way. This drives ownership and accountability of the risk and the associated activities required to mitigate the risk which all helps to support and drive a stronger risk based culture.

Visibility of all business risks has been improved allowing strategic decisions to be made faster and proactive assessment of business activities possible. Furthermore, awareness of risk management has been improved providing greater 'buy in' from the board and enabling risk related decisions to be made faster. Previously unidentified risks are now being captured, impact assessed and assigned to owners. All activity is becoming tracked which is increasingly important, especially within such a competitive and fast paced environment.

The reduction on hours and workload required to collate information and produce reports means that the risk champions are finding they have more time available for analysis of business risks.This is helping to create a proactive risk culture where risk triggers can be identified early and risk management processes can be reviewed and tightened.

"Today, a consistent view of risk is held centrally, easily accessible and easily understood. Instead of me pursuing people to identify threats to their business, they now bring risks to my attention."

With the introduction of a customized report in June 2012 means it is now possible for MI to be readily extracted and presented in a clear and informative way for the quarterly management meetings in Madrid in both a tabular and graphical format. Within the system, the users have a broad range of responsibilities such as control & action owners, risk owners and those with directorate level oversight.

The Future

Telefónica has recently upgraded to CORE V4 and is benefitting from the introduction of new features and functionality such as enhanced management reporting and Compliance and Audit tracking modules.

"It was the simplicity of the solution that impressed me. Many systems are overly complex and have the unfortunate habit of promising the world whilst at the same time disenfranchising the very people who need to be engaged in order to make the implementation a success."