

ENGINEERING & CONSTRUCTION RISK INSTITUTE

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ECRI-RI-002

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Institute Vision

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5

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Purpose: The purpose of the ECRI vision statement is to summarize at the executive level the major projects and activities the Institute plans to undertake in order to meet their the objective of "Institutionalizing sound risk management in the Engineering & Construction Industry to improve performance and predictability of large capital projects, consequently enhancing the long term health of the E&C community and the value to its clients"

Application: The ECRI vision is intended to apply to the global Engineering and Construction industry. The practices proposed are intended to improve the capabilities of not only the ECRI sponsors but the entire industry.

- The Institute will continue with the development of techniques and data to support improved project Risk Management Processes. These are listed in the Index of ECRI Deliverables, ECRI-RI-001. These will be made broadly available to the industry. Methods for Risk Management (RM) in bidding selectivity, joint venture formation, and projects with third party financing will receive major emphasis.
- Through the World Economic Forum, ECRI sponsors formal Risk Management discussions between contractors and owners, organized by industry, region, or other common interest. They are held regularly to discuss risks and their allocation among client, contractor, and third parties. Issues such as emerging risks and new strategies for Risk Management will also be on the agendas.
- ECRI will sponsor risk managers forums within the E&C industry
- Strategies for management of major, broad industry-wide risks are developed and made available. This includes emerging risks which may potentially impact the industry. These will be identified and assessments of potential impact and probability will be made.
- ECRI will maintain Liaison with the Project Management Institute and Association of Project Managers risk Specific Interest Groups, Construction Industry Institute and the Institute of Risk Management and will promote information exchange.
- ECRI, through planned cooperation with the E&C Risk Managers Group, maintains institute/underwriter forums with insurers and bonding firms. They meet regularly to discuss new products and other potential improvements in risk financing.
- Participate in the teams which prepare model contracts in use throughout the industry (AIA, AGC, FIDIC, etc.) to influence their requirements. Dialog with the organizations who prepare these contracts to allow better coverage of risk allocation and management.

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Longer range activities planned by ECRI are:

- Through ISO or another standards organization, a formal certification of a company's Risk Management Process is developed and implemented.
- Identifying third party training courses for use by Sponsors in training their personnel in improved practices associated with their RM process. "Train-the-Trainer" material is included.
- RM process criteria for management of an individual enterprise's portfolio (multi-project or multiple businesses) risks are identified and made available.
- RM process criteria for ownership projects (Build Own Operate [BOO], Operate and Maintain [O&M], PPP (Public Private Partnership) etc. are identified and made available.