



"What is the Risk of Integrating Too Far?"

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Agenda

- **What do we mean by “System Integration”?**
 - Safety, Environment, Health, Social, Quality, Production, Finance
- **Why do it? What are the opportunities?**
 - Efficiency, consistency, streamlining
- **Why think twice? What are the threats?**
 - Lack of focus, ‘one-size-fits-all’





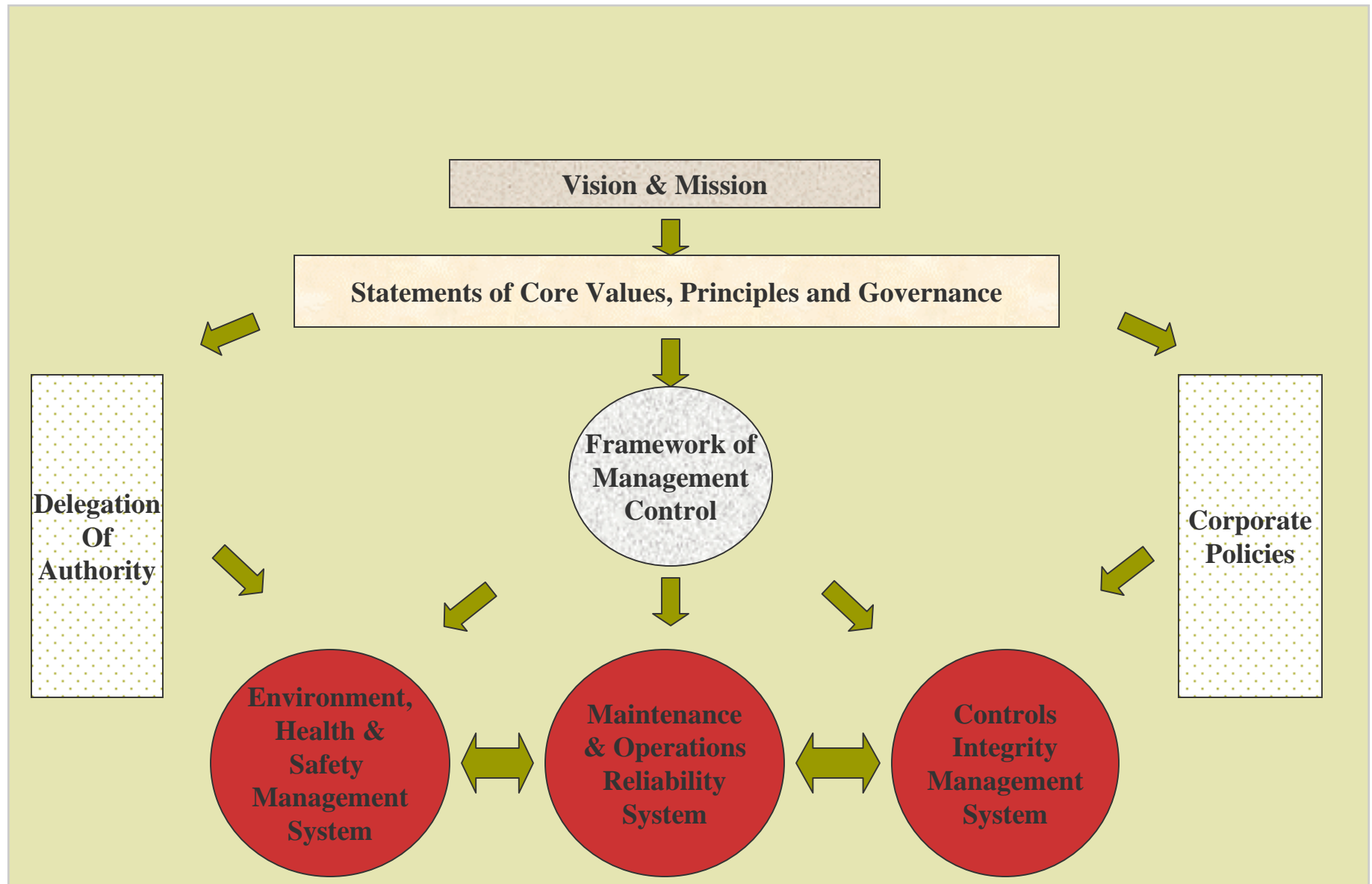
What do we mean by “System Integration”?

System Integration – What do we mean and what are companies doing?

- An integrated management system (IMS) is a management system which integrates different components of a business into one coherent system
- At highest level we are talking management system frameworks (Plan-Do-Check-Act)

- Examples:





Management Systems to operationalize control objectives

Case Study: Alcan - AIMS



Alcan AIMS TO BE THE BEST – today and tomorrow, in everything we do.

Alcan Integrated Management System (AIMS)

- VALUE-BASED MANAGEMENT
- EHS FIRST
- CONTINUOUS IMPROVEMENT

“By aligning these elements into an integrated business management system, we have targeted our efforts in pursuit of a common goal – our governing objective of Maximizing Value.”

What is not a “System Integration”?

- Putting the financial, the quality and the environmental system into one book of policies and procedures
- Creating one national standard for management standards
- Buying a software package which handles quality, safety and environmental documentation
- Merging disciplines (e.g. quality, environmental, safety managers) into one department



Why do it?
What are the opportunities?

Why do it?

- adopt **ONE** management system that aims to meet **ALL** management obligations.
- most **effective** way to discharge **an organisation's obligations** to its employees, customers and the wider community.



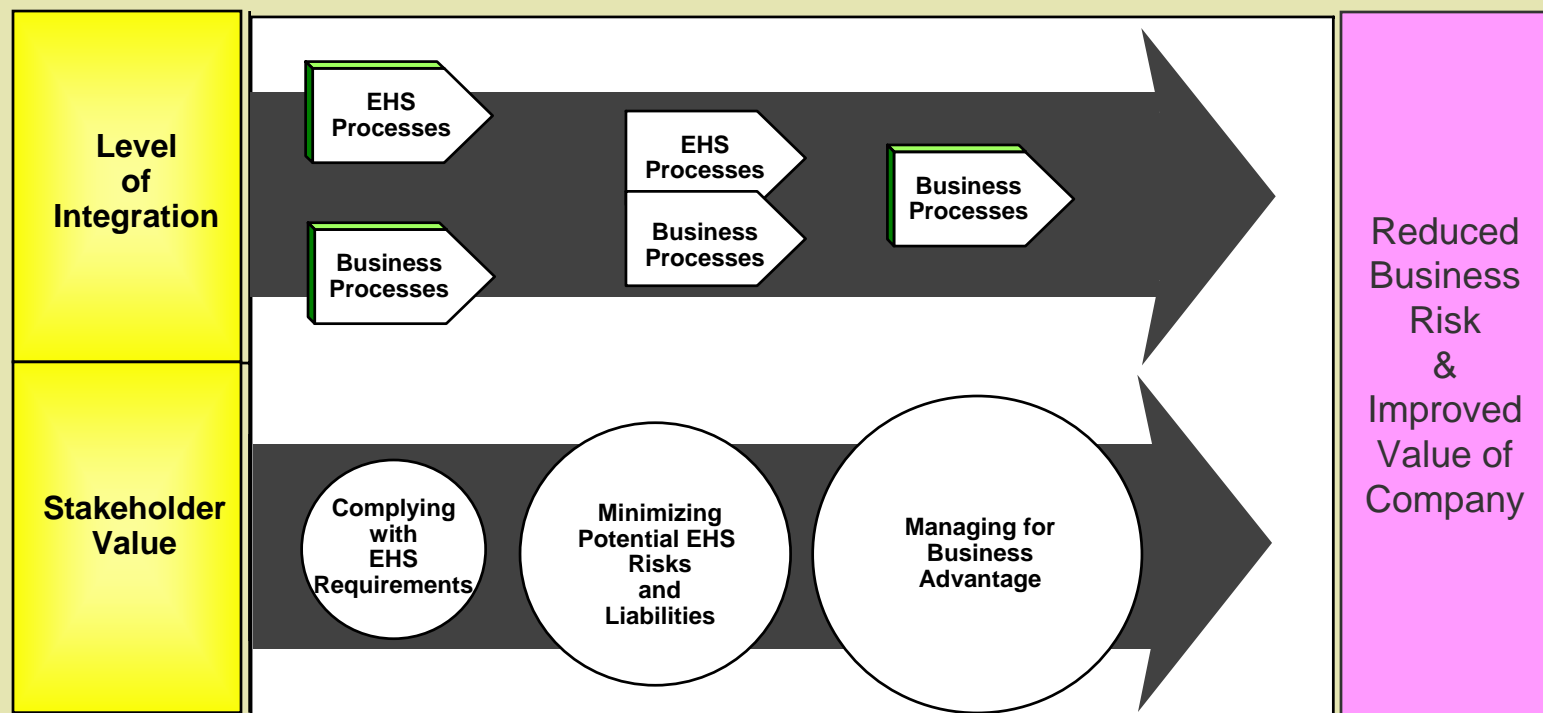
What are the Opportunities?

Opportunities

- reduce duplication and therefore costs
- balance conflicting objectives
- turn the focus onto business goals
- formalize informal systems
- create consistency
- improve communication

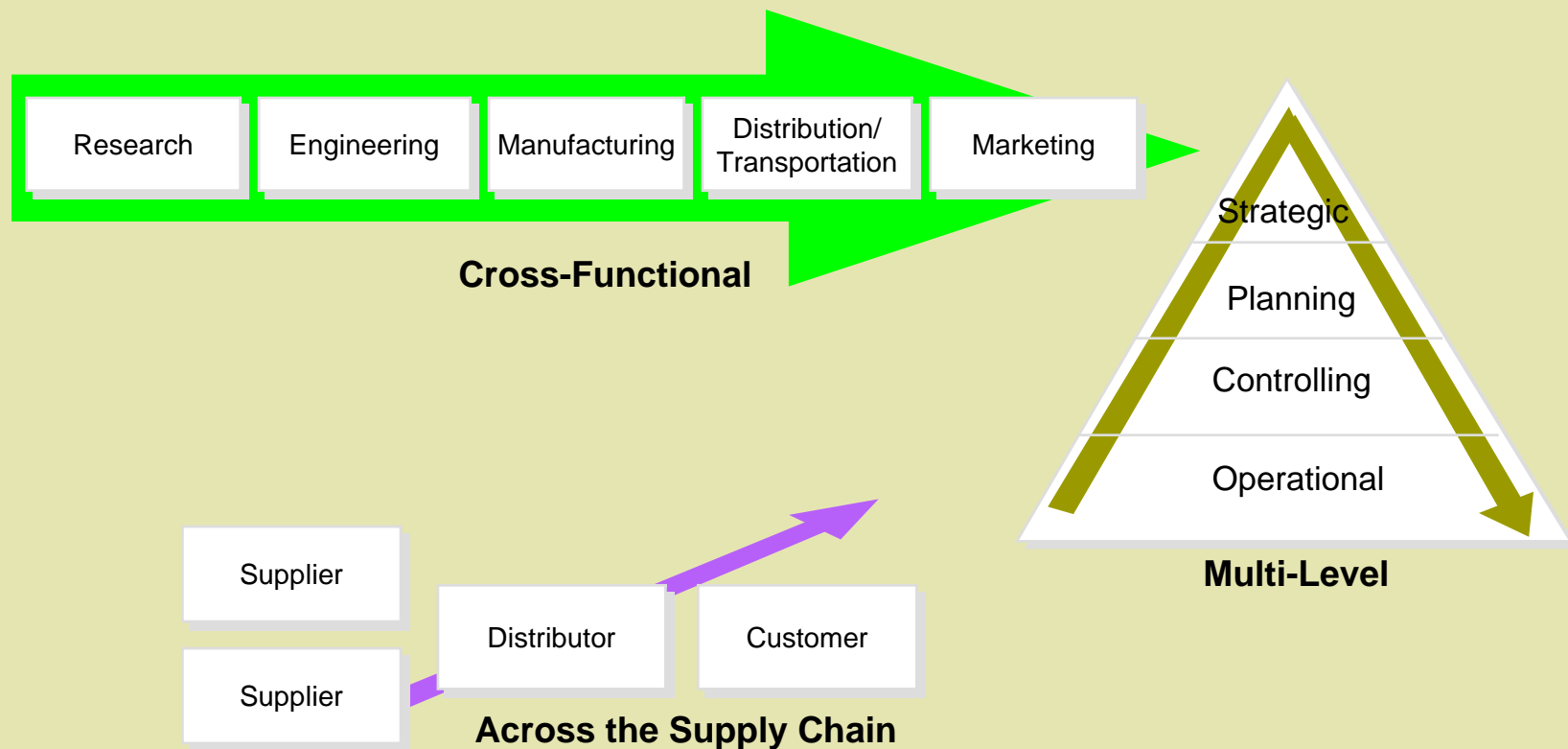


What does this mean to the more typical EHS function?



Strengthening Critical Business Processes

- EHS management processes cross many functional and organizational lines.





Why think twice?
What are the threats?

Possible Concerns

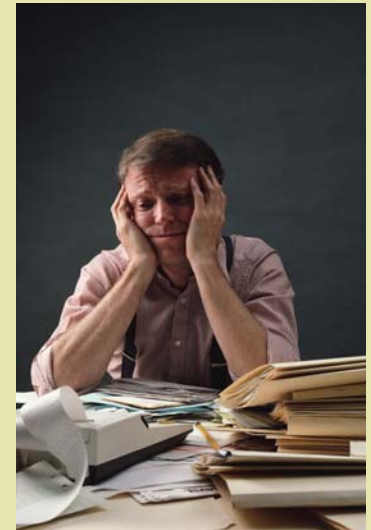
Internal Concerns

- Lack of vision, support and participation from senior management and the Board
- The **time** and **effort** to coordinate with all internal stakeholders may slow down the implementation process
- Hidden costs associated with integration
- Resistance from departments
- Priority and importance of normal business operation supersede the implementation process
- Risk of neglecting concerns pertaining to a department while focusing only on the corporate wide issues

Possible Concerns

External Concerns

- Complying with various standards (e.g. ISO series, BSI – H&S, CCPA, CACD, HACCP, etc.) on top of the corporate standards and procedures may pose additional costs for the company
- Lack of experienced external auditors to conduct integrated audits



Questions?