



CASE STUDY

Implementing an Enterprise Risk Management System for a Family-Owned Construction Firm

"Everyone is elated with your deliverable and presentation. We appreciate the amount of effort expended by the Fox Team on this assignment."

Client Profile

One of the U.S.'s premier heavy civil contractors, our client is the preferred partner to connect and improve the communities and world in which we live. Founded by a railroad engineer in 1890, our client constructs highways, bridges, locks, dams, racetracks, mass transit, and airport systems in 20 states across the United States. Additionally, the firm and its affiliates produce bituminous and precast concrete and mine aggregates at 70 different plants. In its 120 year history, our client has never failed to complete a contract. *Engineering News Record* ranks our client among the top 60 contractors in the United States. Currently, our client is constructing one of the largest public-private partnership projects in the United States, valued at 1.5 B USD.

The Project

The client engaged Fox Management Consulting (Fox MC) to consider the implementation of an Enterprise Risk Management (ERM) system. Our client was interested in identifying its key risks, as well as looking at the best practices of industry leaders in implementing ERM programs. More than that, our client wanted to learn about the benefits that could result from an ERM system.

Recommendations

Fox MC identified that the client faces both internal and external risks in three key areas of operation, which had the potential to impede the firm's plans for growth:

- Public Policy
- Project Funding
- Capitalization Pressure

Fox MC agreed that an ERM system would assist our client in addressing three of the major industry risks, as well as the unique internal risks. Additionally, an ERM system will assist our client in controlling the costs associated with potential losses and capitalize on the potential revenue gains associated with new opportunities that an ERM system would help to identify.

Our client was provided with a detailed risk universe for the firm and a comprehensive overview of the risks inherent to the industry. Fox MC provided the client with best practices for implementing an ERM system, including the costs and benefits of such a system.