LOCKTON

UNCOMMONLY INDEPENDENT

Stay connected

Lockton Solicitors

Guide to Risk Cause Analysis Process ('RCAP')

What is a RCAP?

A RCAP provides a means to identify the origin/root cause of a problem or events using a specific set of steps, with associated tools, to find the primary cause of the problem, so that you can:

- Determine what happened.
- Determine why it happened.
- Figure out what to do to reduce the likelihood that it will happen again.

A RCAP is a very important tool as it can be used to manage risks and improve a business by identifying ways to fix underlying issues that allow failures to occur.

RCA is vital, as effective management requires more than merely 'putting out fires for problems' but also finding a way to prevent them.

Why is a RCAP needed?

- Many firms do not have an effective process in place across the whole firm for establishing the root cause of all issues arising, e.g. claims, complaints and breaches.
- Many firms identify primary causes of a claim but then fail to drill down to find the root cause so steps can be taken to avoid the issue occurring again.
- Claims can arise for many reasons: lack of fee earner knowledge, heavy workloads, lack of expertise, poor supervision, lack of process or poor processes.
- Following a RCAP will help you to identify the root cause so changes / improvements can be made.
- This will result in less claims / complaints, less fee earner time spent dealing with such matters, meaning more fee earning time, improved morale, better claims experience and less money being spent on payments for claims / complaints.

Models of RCAP

The five most common RCAP methods are:

1. Pareto Chart
2. The 5 Whys Method
3. Fishbone Diagram
4. Scatter Diagram
5. Failure Mode & Effects Analysis Method

Click on the following links for a brief explanation of each of the above methods:

https://en.wikipedia.org/wiki/Pareto_chart

https://en.wikipedia.org/wiki/Five_whys

https://en.wikipedia.org/wiki/Ishikawa_diagram

https://en.wikipedia.org/wiki/Scatter_plot

https://en.wikipedia.org/wiki/Failure_mode_and_effects_analysis

It's important to use a tool that is simple and easy to use otherwise staff just will not use and / or it will take up a great deal of time training staff and errors may occur when a RCA is carried out.

We recommend using 5 whys as it is simple and straightforward to use.

What is the 5 Why's Method?

- It was invented by Sakichi Toyoda, founder of the Toyota Industry in the 1930's and is still used at Toyota today
- The 5 Whys technique is a brainstorm technique that identifies the root causes of errors / breaches by asking why events occurred or conditions existed
- When a problem occurs you need to drill down to its root cause by asking 'Why' 5 times
- Start with the problem and keep on asking 'Why' until you get to the root cause / bottom of the problem. In some situations you will have to ask 'Why' more than five times.
- For each answer to the question 'Why', deploy a countermeasure
- It can be used in troubleshooting, problem-solving and quality-improvement initiatives.

The Five Whys?

Define the problem

↓

Why is it happening?

↓

Why is that?

↓

Why is that?

↓

Why is that?

↓

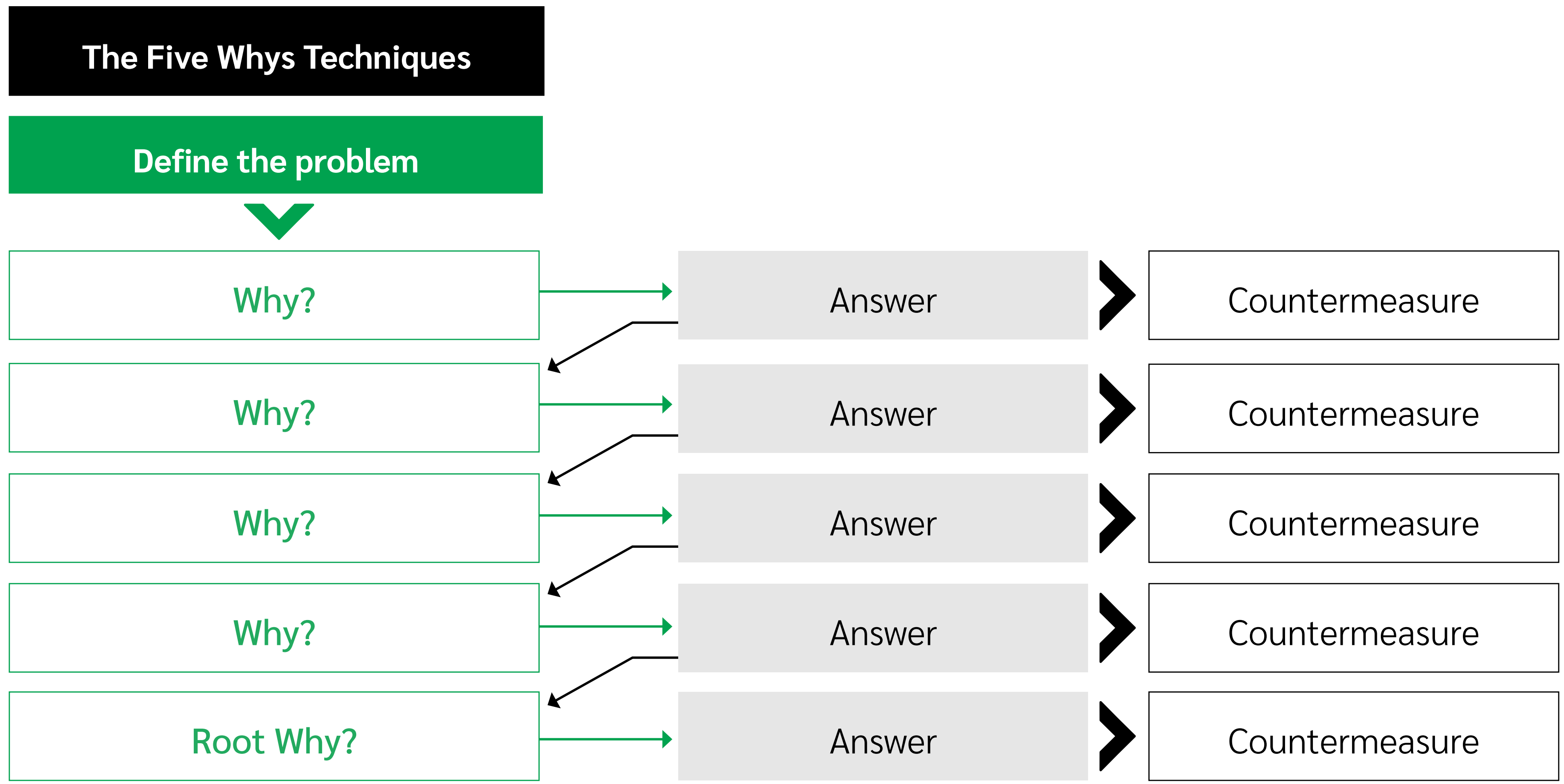
Why is that?

Some of the advantage of using the 5 Whys Method

We recommend using the 5 Whys Method for root cause analysis as it has several advantages, including the following:

- It's simple and easy to use
- It allows you to identify the cause of your problem, not just its symptoms
- It helps you avoid taking immediate action without considering whether you've identified the real root cause of the problem
- It helps you build a culture that embraces continuous improvement
- It can also be used in problem solving and quality improvement initiatives.

Example of The 5 Whys Technique



A 5 Whys worked example for Negligence Claim

The Five Whys Techniques

Missed Limitation Date

Why?	Fee-earner not aware of limitation date	Report potential claim to insurers and make client aware
Why?	Limitation date not identified at start of matter	Ensure all key dates identified at start of matter including any limitation dates
Why?	Fee-earner didn't complete review/risk assessment in detail at start	Ensure File opening risk assessment form fully completed
Why?	Fee-earner has heavy caseload and didn't have time to complete review	Fee-earner workload to be checked before case allocation
Root Why?	File allocated to fee-earner with full caseload	Review File allocation process, update/create procedure and perform training

Suggested Process

This is our recommendation as to how 5 Whys could be implemented in your firm:

- 5 Whys technique should be applied to all claims, complaints and breaches reported
- Process to be put in place which specifies the steps that need to be taken if a fee earner reports one of the above issues
- Suggestion is for the initial issue to be investigated by the supervisor of the relevant fee earner, including the file being reviewed (if necessary) and fee earner and any other staff involved being interviewed and notes taken
- Forms are designed to be completed for claims, complaints and breaches. The forms are slightly different for each. Essentially the forms will ask questions to establish:

  i. what has happened

  ii. how it has happened and how the firm was made aware

  iii. who is responsible

  iv. value of matter

  v. any steps taken to rectify

  vi. whether the client is aware of the issue.
- Form is signed by supervisor and fee earner in question and then dated
- Form then sent to Risk and Compliance to consider what has happened and why, and to apply the 5 Whys technique. The bottom section of the form is completed confirming risk management steps to be taken to prevent issue occurring again
- Risk and Compliance to update the COLP and if necessary, any other staff responsible for compliance
- Risk and Compliance to allocate actions to be taken within a specified timeframe and to be responsible for ensuring the action is taken and implemented within the timeframe.

locktonsolicitors.co.uk

Stay connected

LOCKTON®

UNCOMMONLY INDEPENDENT