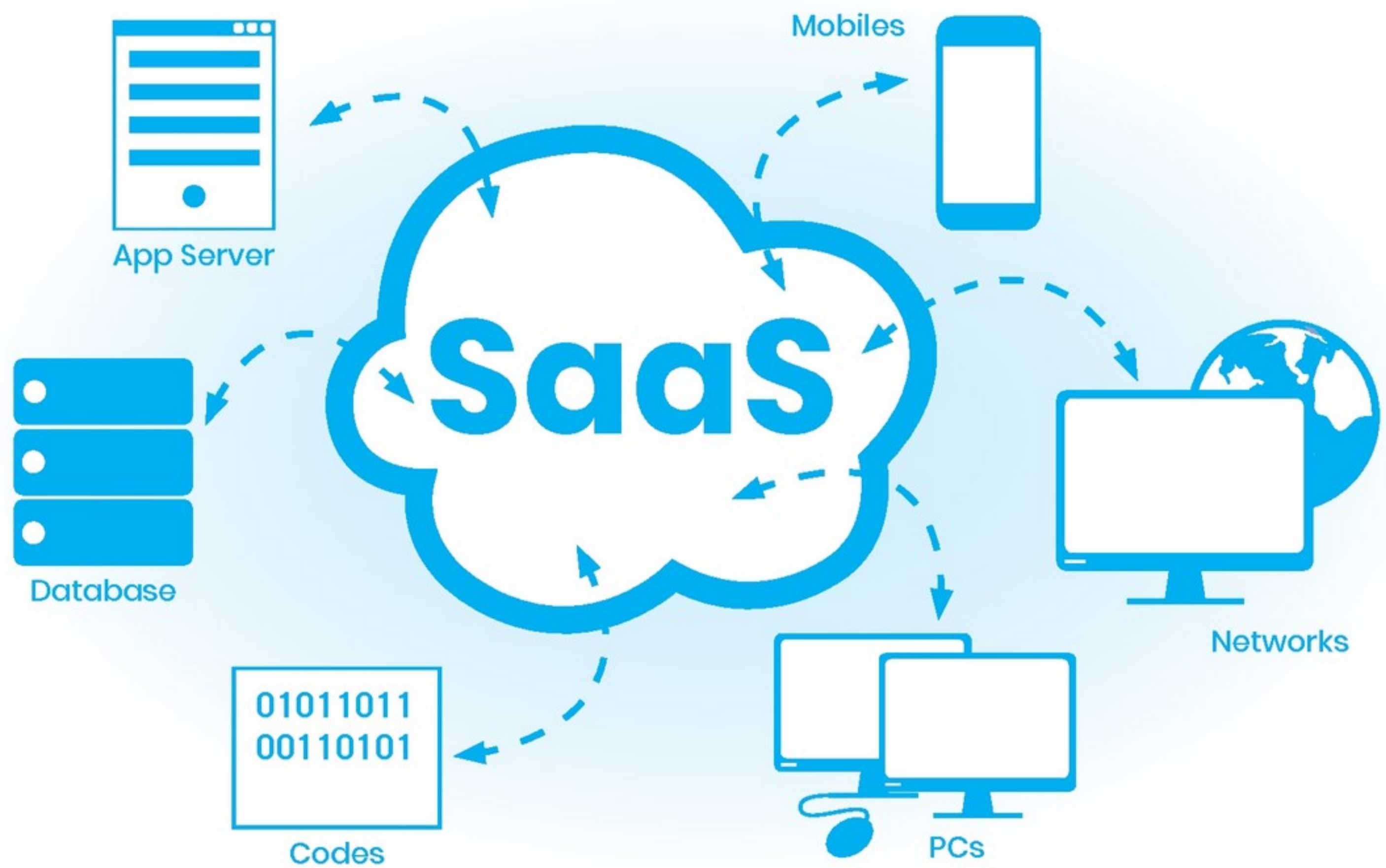


# Risk Management as a Service

A correlation to the growth of Software as a Service (SaaS) in business.



**A**s a follow up to my article in the October edition of *Crane Hot Line* on the Specialized Carrier & Rigging Association’s pioneers who introduced the Borrowed Servant Doctrine that revolutionized crane risk management, this article focuses on the evolution of crane risk management as a service over the past 30 years.

As referenced in the October article, attorney Robert C. Moore and I introduced various risk treatment concepts to the SC&RA Insurance Committee in 1996.

Those concepts were designed to provide crane owners a fighting chance to contain accident litigation as part of

our proposed “Risk Management-based Insurance Program.”

At that time, SC&RA had the foresight to establish a “Risk Management Task Force” designed to vet the validity of the new concepts in a collective forum of SC&RA members.

Prior to this new step involving risk management, there had never been a risk management focus in crane insurance for them to use as a reference.

The SC&RA task force collaborated with us and ultimately accepted our risk management suggestions, which led to approval by the SC&RA board of directors.

Together, we developed some pre-

requisites in job ticket and contract administration, as well as rapid-response claims handling protocols, as special “add-on features.”

One example was a unique 50-state legal compendium for proper insurance and indemnification rules (by state statute).

Another was customer training for assigned claims coordination with field adjusters and internal claims reporting formats including attorney-client privileged communications.

## Industry Must Evolve

Since that time, much has changed in our industry, and crane risk factors have grown

significantly as a result.

Today, bigger cranes, bigger loads, labor shortages, rising costs, nuclear verdicts in court, and other factors have seriously disrupted the crane insurance market.

The increased risks demand that our industry evolve in the way it treats crane risk management so that crane owners can offset the growing risk factors.

## Moving Beyond “Add-On Features” to Insurance

Most crane owners are familiar with the original crane risk management support system originally introduced in the early years as additional features of the SC&RA insurance program.

Those “features” were innovative, effective, and necessary at the time, but they were still technically just add-on features to the main focus of insurance.

As in many industries, today’s new generation of crane owners and operators is demanding its own evolutionary approaches in order to run their operations successfully.

Technology is a prime example.

Back when we first introduced the crane risk management support system, the fax machine was brand new.

Think of how dramatically electronic communication technology has evolved since then.

Today we have email, texts, cloud communications, streaming video, worldwide group meetings with real-time visuals and sound.

We now can transmit not just still drawings and photos worldwide, we can stream full-length movies anywhere in the world.

Over the time that electronic communication has changed, the crane industry has evolved, too.

Now crane risk management must evolve to keep pace.

We must move beyond the traditional risk management principles our industry’s pioneers introduced.

Forging ahead with new methods of crane risk management is vital to our sustainability as an industry.

Many crane owners support “Crane Risk Management As A Service” as an effective way to counter today’s challenges.

This new concept establishes a basis for crane owners to focus on analytics, risk

mitigation, culture upgrades, and technology-based risk management solutions as being essential to the success of their operations.

The concept gives crane owners a better way to analyze and manage risks.

It changes the paradigm by making risk management an owner-controlled business mechanism rather than an add-on feature to insurance.

Growing strongly in other industries, the concept allows company owners to manage risk with their own resources as part of their business process.

It eliminates the need to rely on add-ons from insurance providers, whose main considerations often focus on the financial aspects of insuring many types of operations.

## Correlation with the Evolution in Software as a Service (SaaS Models)

Similar to our first introduction of risk management to the crane industry, the onset of Software as a Service (SaaS) has revolutionized the use of software applications for large, medium, and small businesses to grow while managing risk effectively in the era of digitalization.

Software applications under SaaS are acknowledged as affordable, time convenient, and flexible substitutes to the traditional business technology models that used to be built from scratch and required a lot of resources to customize.

Similar to crane risk management, the evolution of SaaS can be traced back to the 1990s, when the world was introduced to the internet.

Those SaaS models made software more customizable on a ready-to-go basis and could be hosted in the cloud and accessed through web-based applications on the internet.

The correlation with market timing in crane risk management and SaaS models first being introduced in the ‘90s connects with today’s Crane Risk Management as a Service applications being internet based and applying to small, medium, and large companies alike.

Similarly, today’s crane risk logic service platforms are internet-based and use SaaS model applications for analytics, risk mitigation, culture upgrades, and our proprietary technology to measure and grade crane

operators’ performance.

Prior to these innovations, crane risk management, like original software, required intensive, manual, time-consuming processes.

A further example of the similar evolution between SaaS development and crane risk management as a service is that our original contract three decades ago was a three-layer carbon-paper form.

We had to distribute hundreds of them by the box to our customers.

Now, our online custom SaaS application makes it easy for crane owners to deploy crane risk management from their computers, tablets, or smart phones.

The growing use of SaaS in crane risk management testifies to the evolution of its ability to ease customer workloads and increase profitability for large, medium, and small crane businesses across the country.

Tien Tzuo, founder and CEO of global software leader Zuora, calls today’s SaaS models the most dominant and prominent developments for business owners worldwide.

Crane Risk Logic’s risk-management-as-a-service (SaaS) models improve users’ risk-management experience by integrating analytics, mitigation, and culture to help save lives in crane operations.

## Conclusion

The evolution of crane risk management as a service model is an example of the technological advancement that our industry has witnessed over the last 30 years.

The success and popularity of the SaaS model, combined with crane risk management, looks promising and highly scalable due to the development of the internet of things (IoT), artificial intelligence (AI), and predictive analytics, all of which will make it more user friendly and easily accessible for crane users across the country.

By combining SaaS with proven risk-management techniques, crane risk management as a service offers crane owners an effective and innovative way to manage risk amid current and future market challenges. ■

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