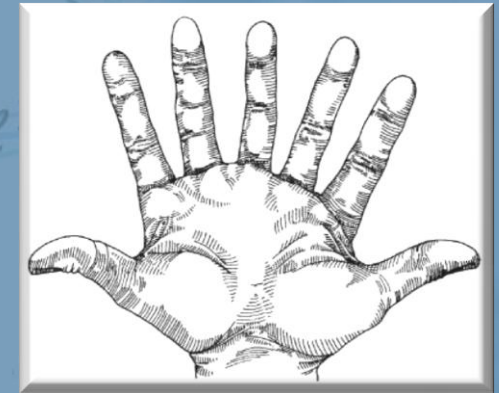


7 reasons why your risk programme will fail - and what you can do about it

RiskNZ Conference Thursday 23rd October 2014

Presentation

1. What makes a good risk management programme?
 - What's its purpose?
 - What should it do?
2. What do you need?
3. Managing under uncertainty
4. 7 reasons why your risk programme will fail
5. 5 things to help succeed



What makes a good risk management programme:

What's its purpose?

To anticipate & shape the future

- What does it do?
- What doesn't it do?

What it does:	What it doesn't do:
Reduces uncertainty	Remove uncertainty
Informs decisions	Generates decisions
Validates strategy	Form strategy
Anticipates scenarios	Identifies all scenarios
Sets boundaries	Guarantee precision

What does a good risk management programme need?

Guard rails, not speed bumps

Are risks

- a) understood +
- b) treated consciously +
- c) priced appropriately?

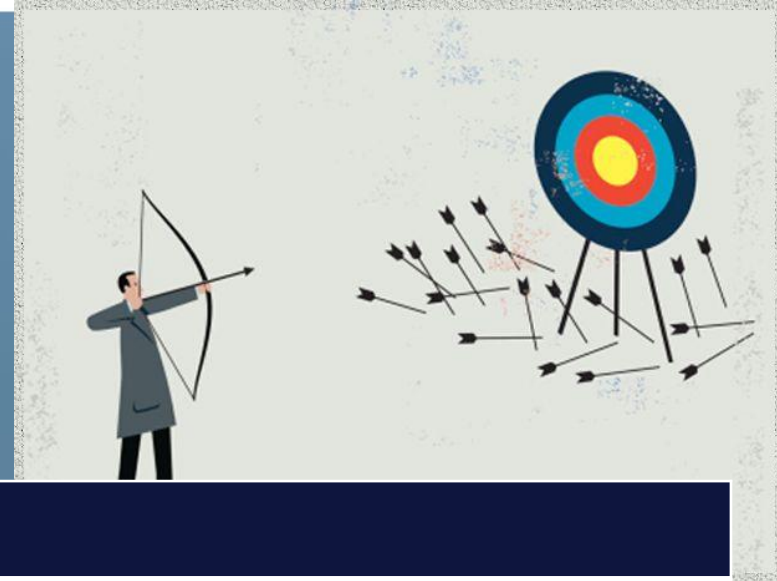
In risk management, what is important is rarely complicated (and what is complicated is rarely important)



Uncertainty: known v. unknown

 	Risks known in-house	Risks unknown in-house
Risks known to others	OPEN <i>process</i> Things we know we know	BLIND SPOT <i>imagination</i> Things we know we don't know
Risks unknown to others	FACADE <i>courage</i> Things we refuse to accept we know	UNKNOWN <i>preparation & early warning</i> Things we don't know we don't know

7 reasons why your risk programme will fail (in no particular order)



It fails when	Cause
Little help for decisions	No insight
Poor value for money	Cost exceed benefits
No imagination	Set in the past and the present
Bolted-on	Not designed-in to the culture
Mechanistic	Pseudo-scientific form-filling compliance
Impractical	Focused on data collection & assessment, not action
Self-absorbed	Hi-jacked by practitioners

5 things to help succeed

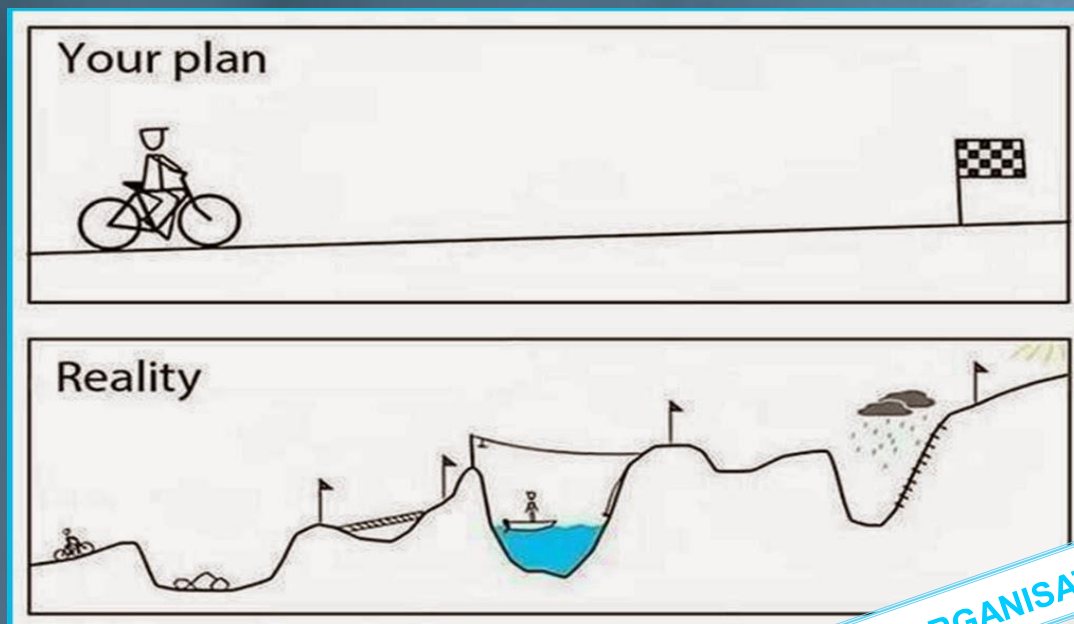
1. Fit the programme to the culture
2. Design to meet 2nd tier needs
3. Sort the process first, technology later
4. Use imagination
5. Focus on action



Summary

ENSURE THAT RISKS ARE:
UNDERSTOOD + TREATED CONSCIOUSLY + PRICED APPROPRIATELY

PLAN HOW THE PROGRAMME WILL ADD MORE THAN IT COSTS



STAY IN TUNE WITH YOUR ORGANISATION

FOCUS ON ACTION NOT ASSESSMENT

Our Capabilities

Software Development

IT Management

Connect – Business Process

IT Procurement Services

Solutions

