

# ***Strategic Risk Leadership and Executing Strategy***

6th National Conference on Risk Management  
6 & 7 September 2012  
Te Papa, Wellington

# ***Introduction***

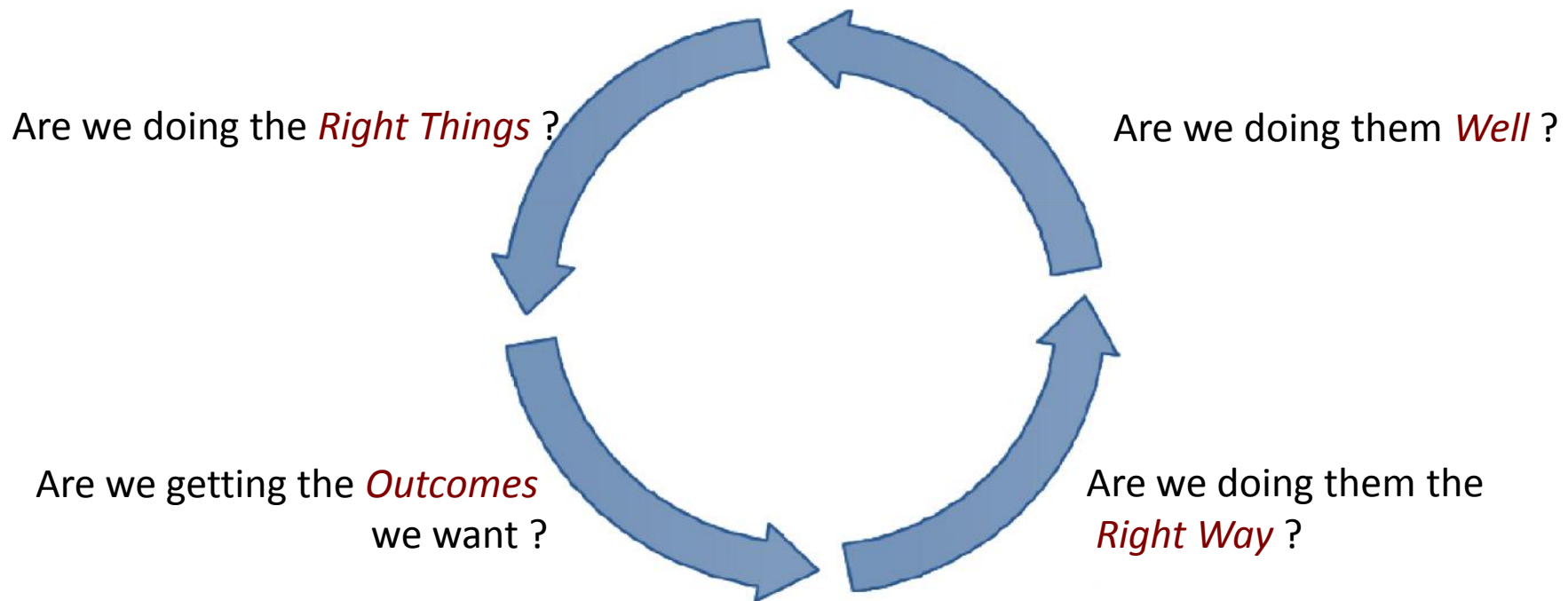
- Strategies are implemented through projects
- Projects are a risky business
- Organisations are mindful of project risks
  - well established procedures
    - risk register
    - risk mitigations
    - RAG reporting
  - manage risks to ensure “in scope, on time, under budget”
- To reduce risks **to** project

# ***Strategic Risks of Projects***

- Project risk management does not fully address risks **of** projects, e.g.
  - contribution to strategic goals
  - deployment of scarce resources
  - further investments necessary to fully realise strategic goals
  - impact on the organisation's ability to absorb extent of change
  - supporting business-as-usual activities required

# ***Mitigating Strategic Risks***

- Decision makers need to ask:



# ***Benefit Dependency Network Mapping***

- Consists of four main elements
  - Initiatives
  - Contributions
  - Outcomes
  - Assumptions

# ***Benefit Dependency Network Mapping***

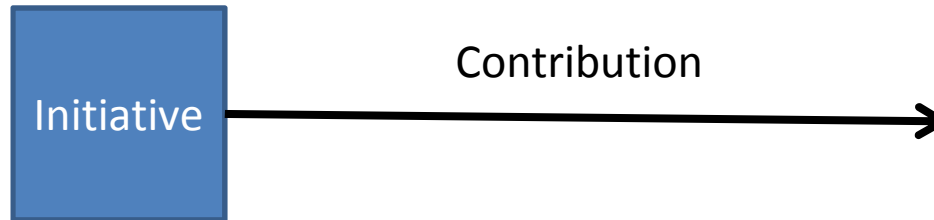
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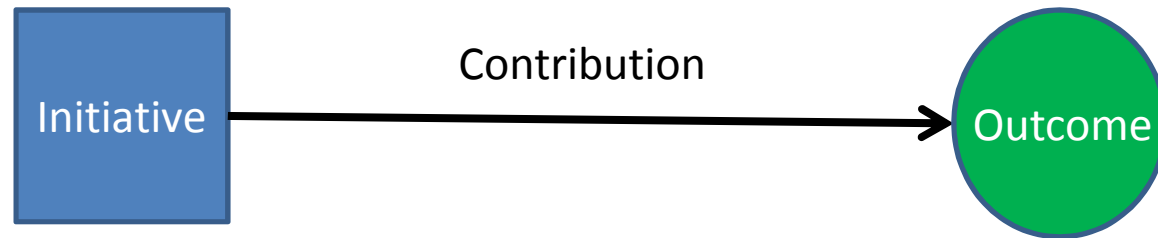
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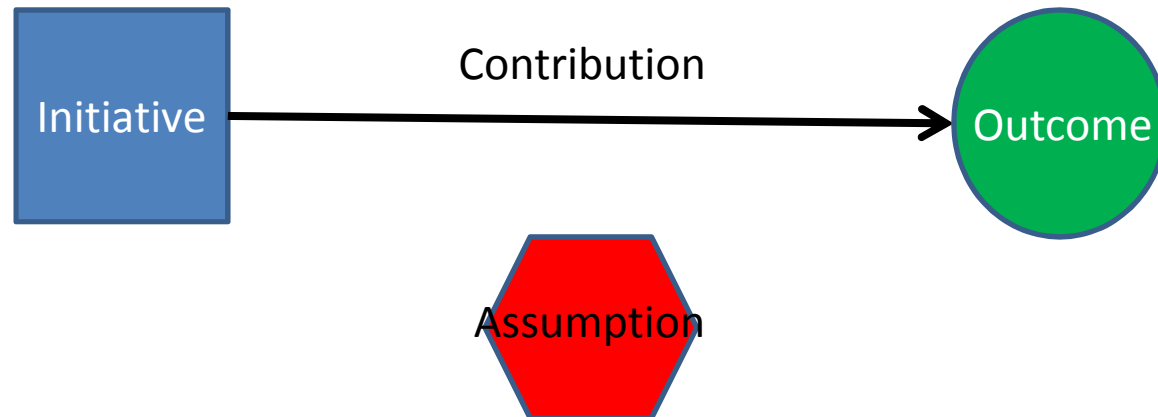




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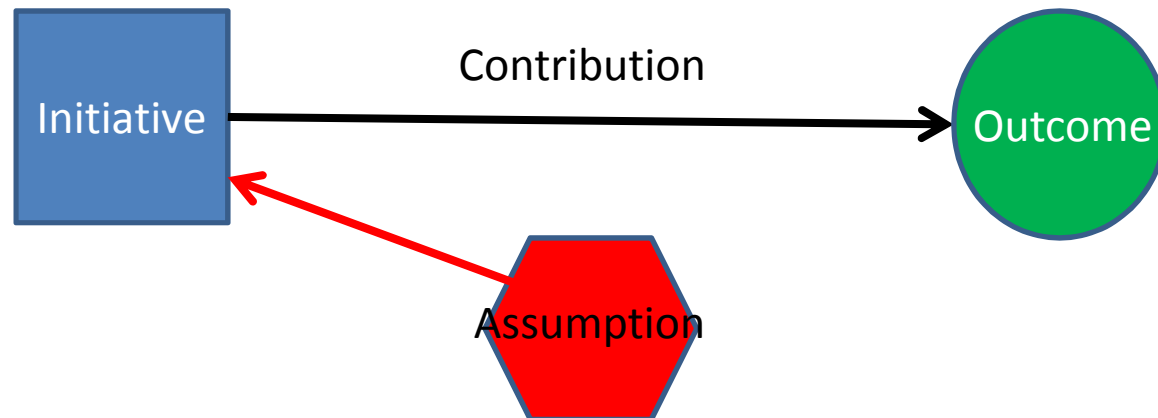
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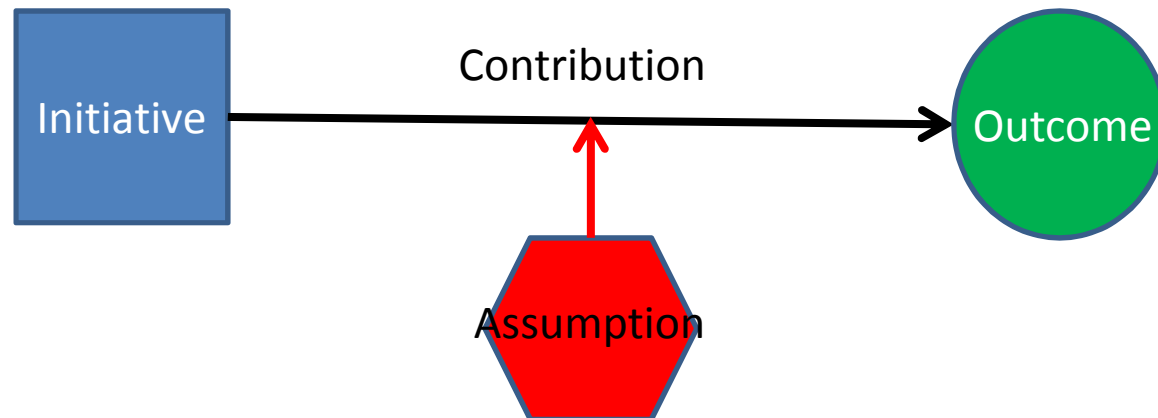
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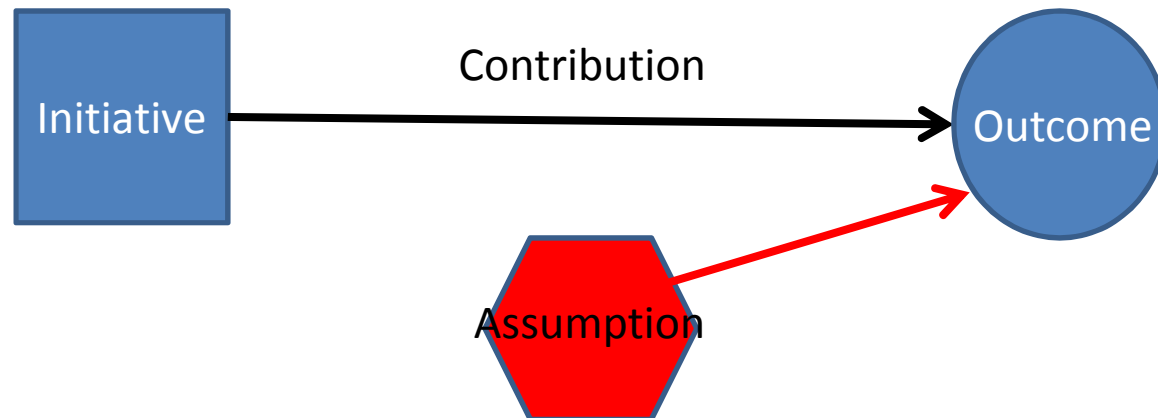
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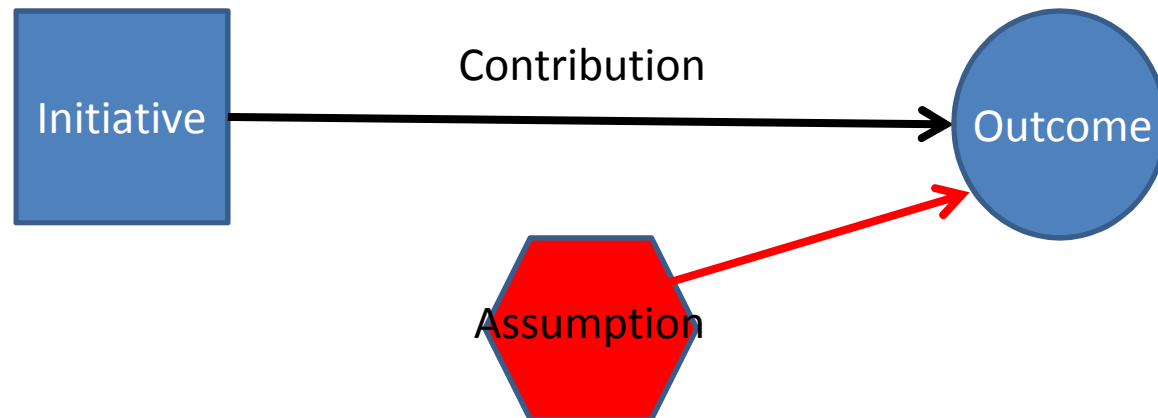
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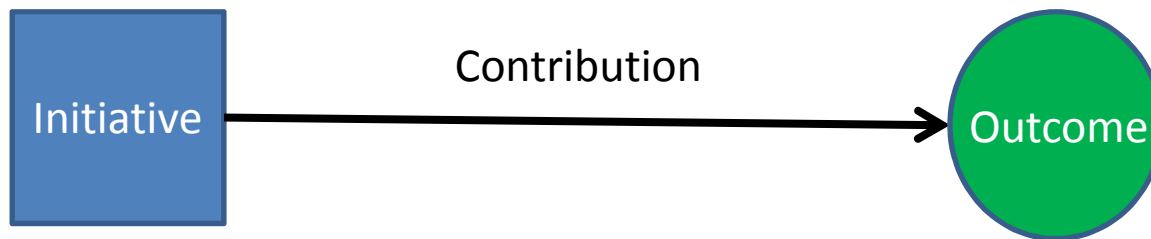
- Typically used to justify projects
  - Especially IT projects

# ***Benefit Dependency Network Mapping***

- Enables portfolio construction
- Creates awareness of totality of projects to achieve benefits
- Avoids double counting
- Facilitates communication
  - Business case on a page

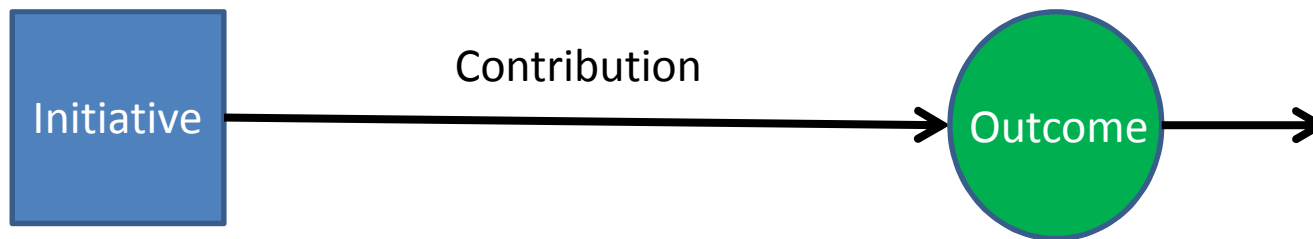
# Adapting BDNM to strategic planning

- BDNM concept applied to strategic planning



# Adapting BDNM to strategic planning

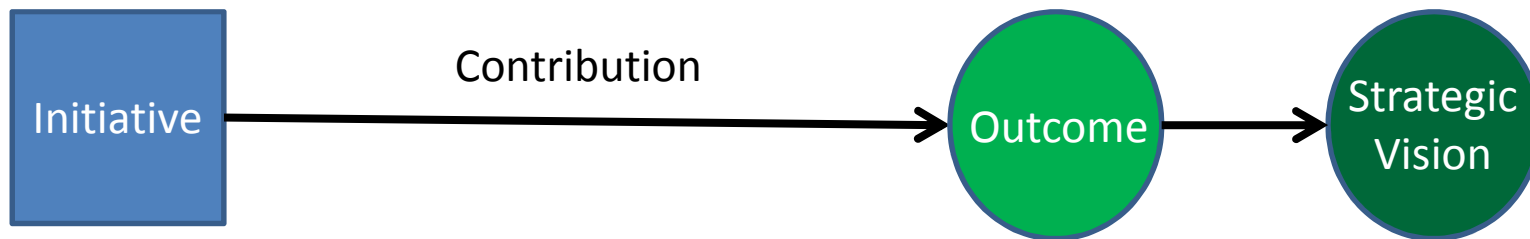
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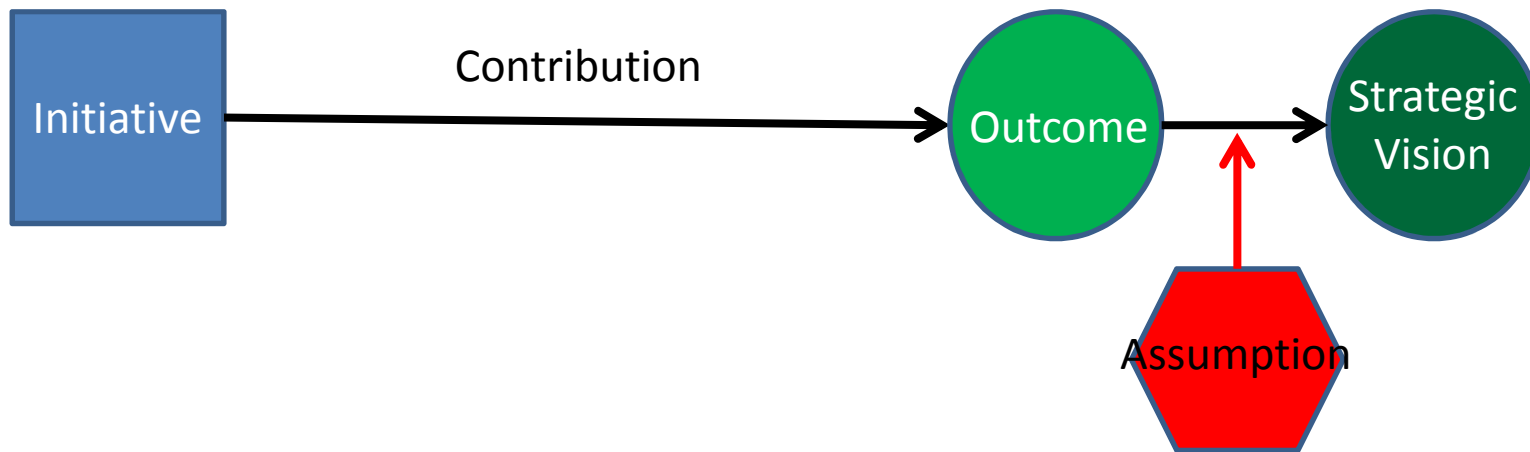
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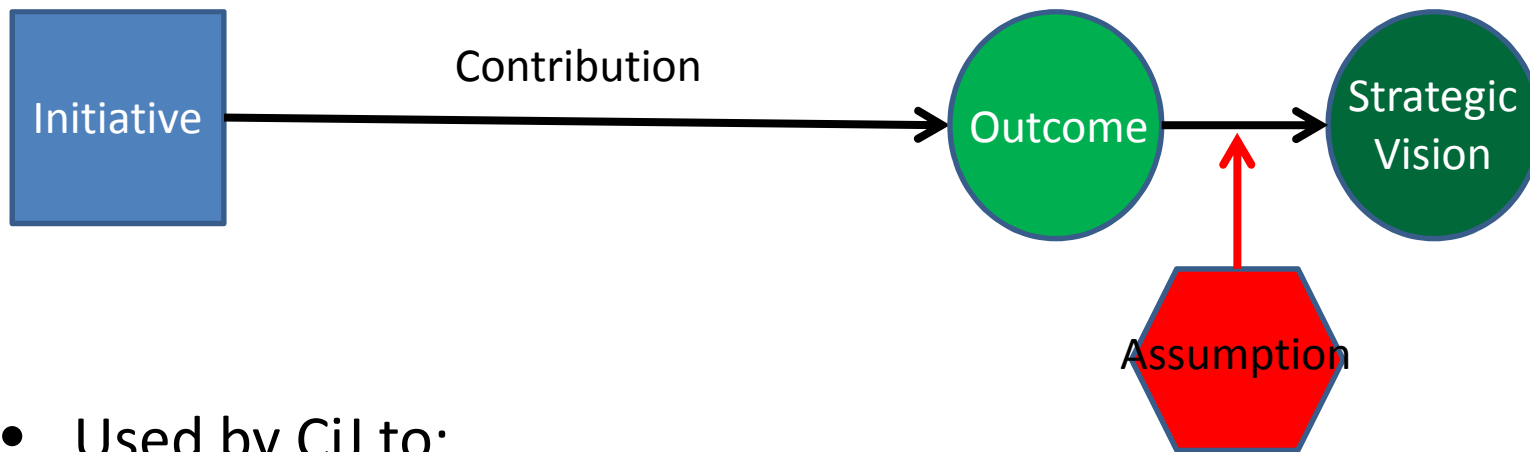
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- Used by CiJ to:
  - Identify strategic projects
  - Construct project portfolios

# Identifying Strategic Projects

What are the  
desired strategic /  
business  
*outcomes?*

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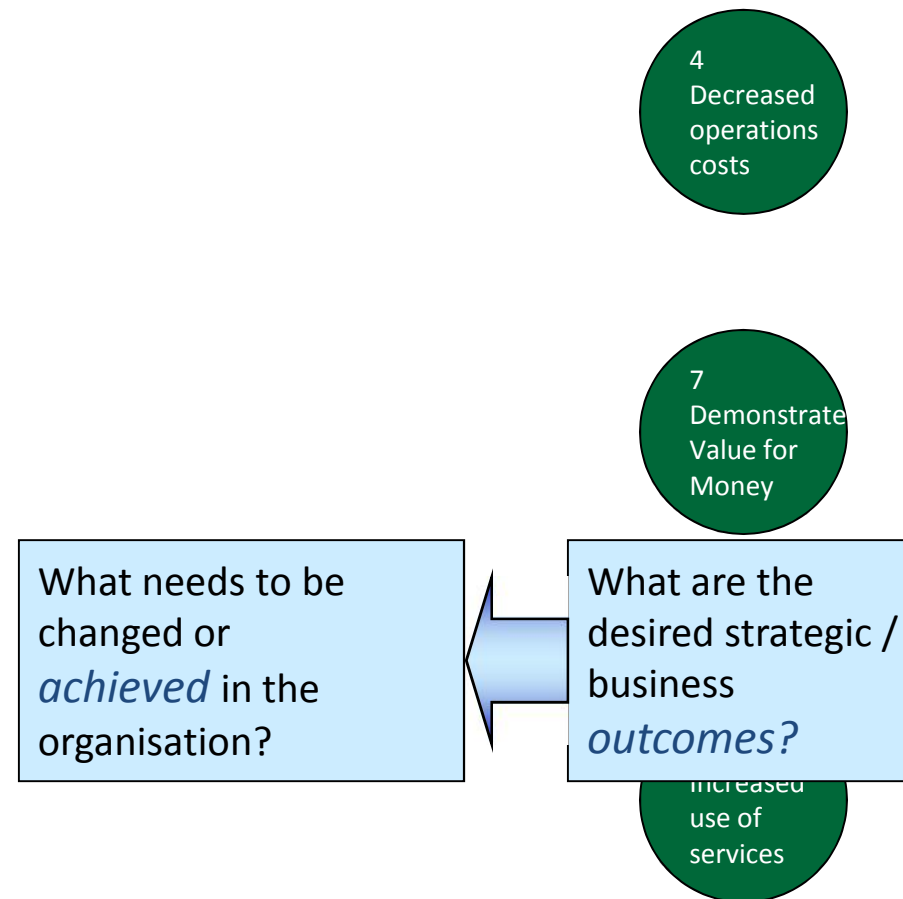
4  
Decreased  
operations  
costs

7  
Demonstrate  
Value for  
Money

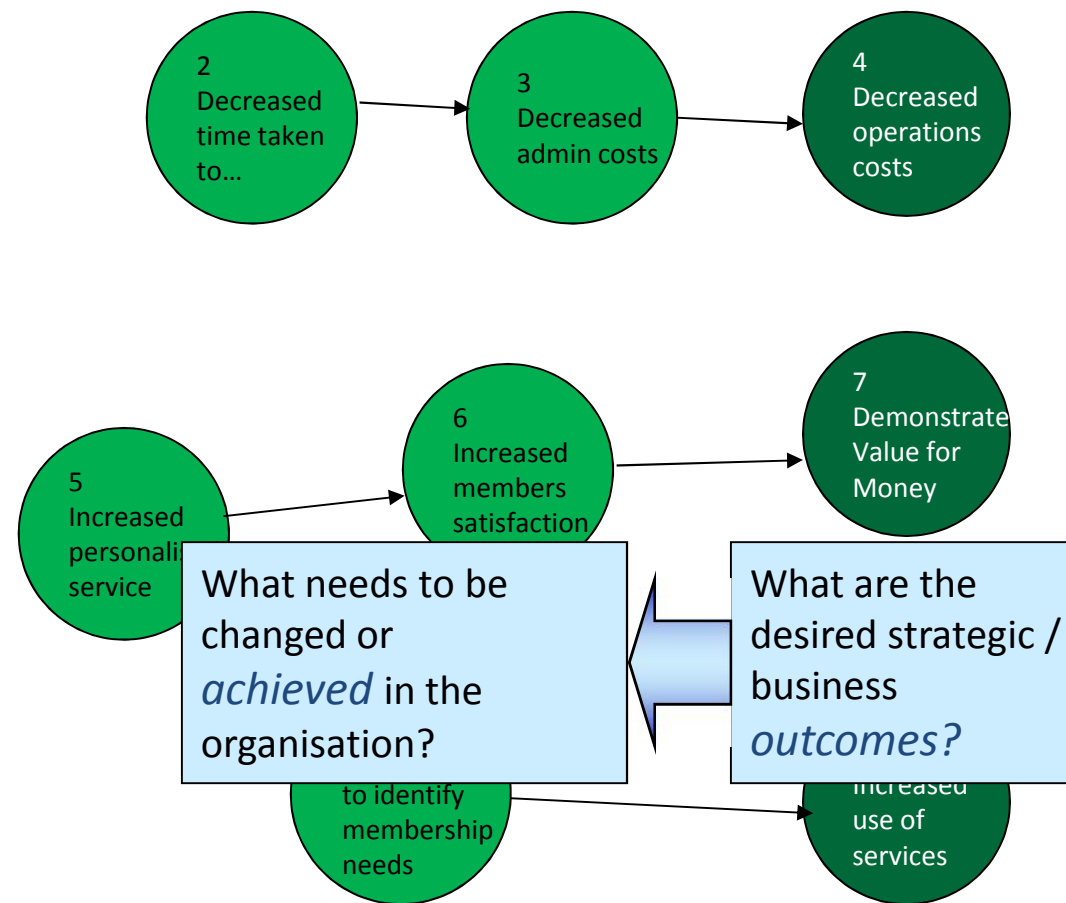
What are the  
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Increased  
use of  
services

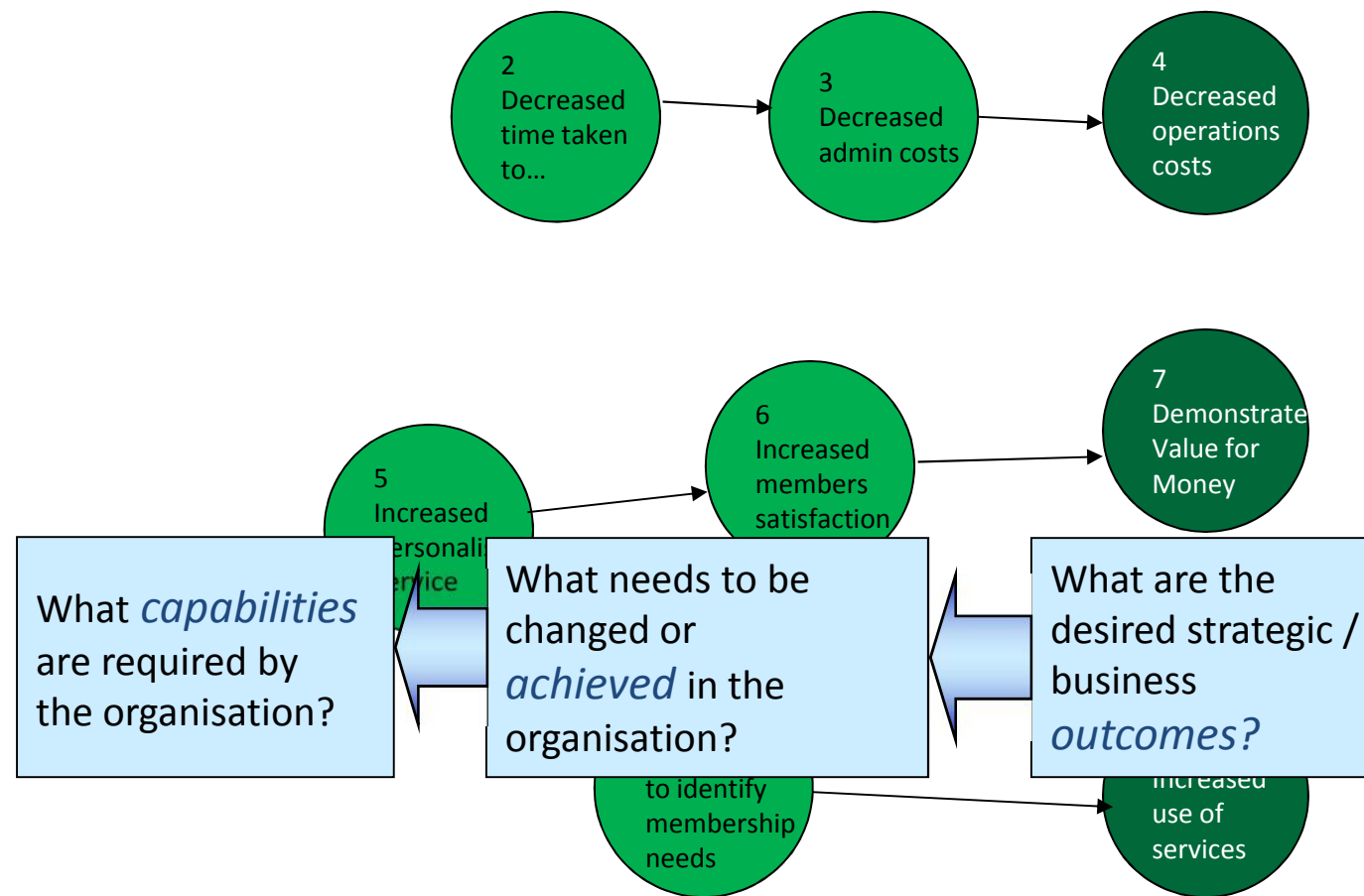
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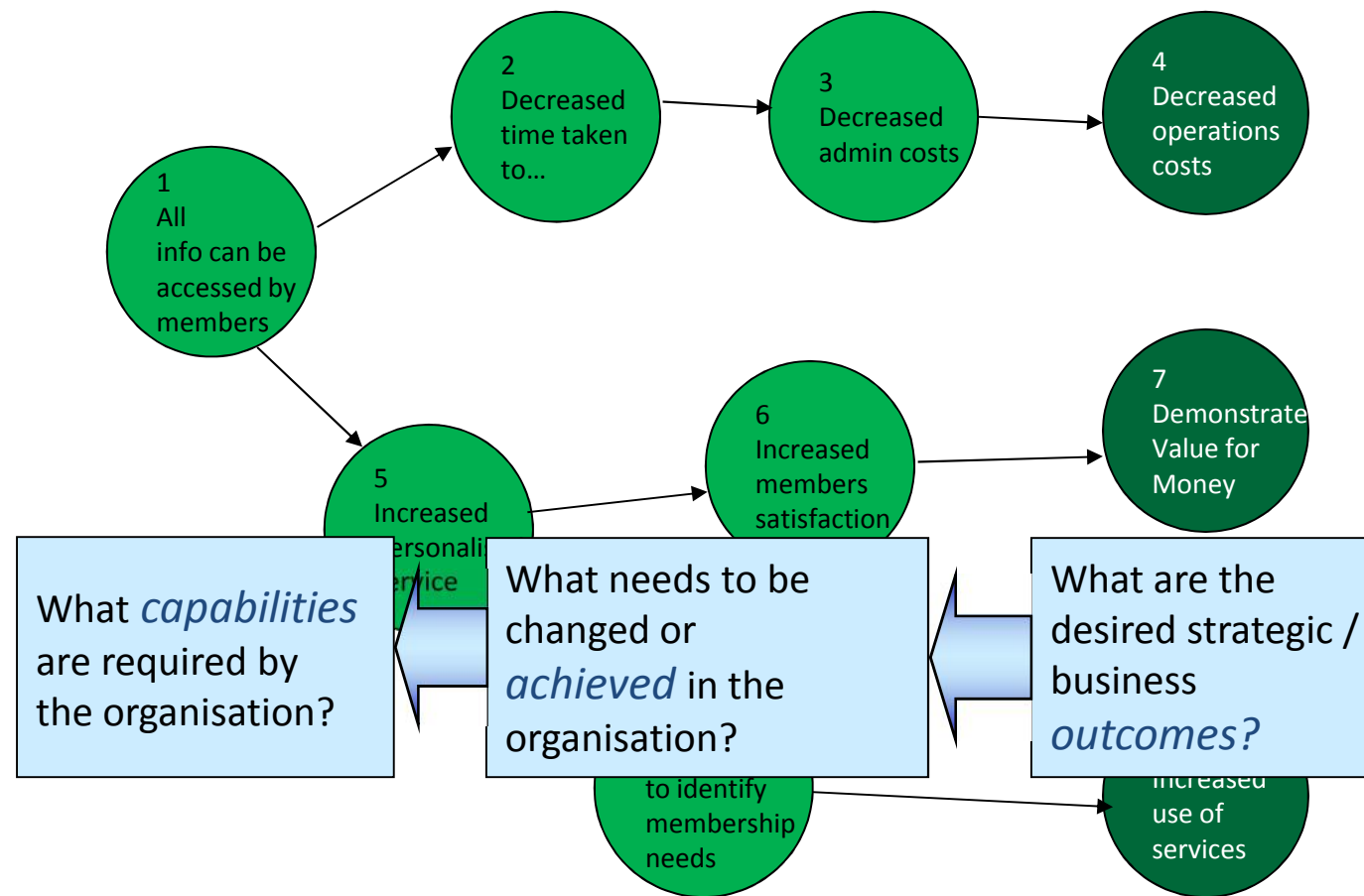


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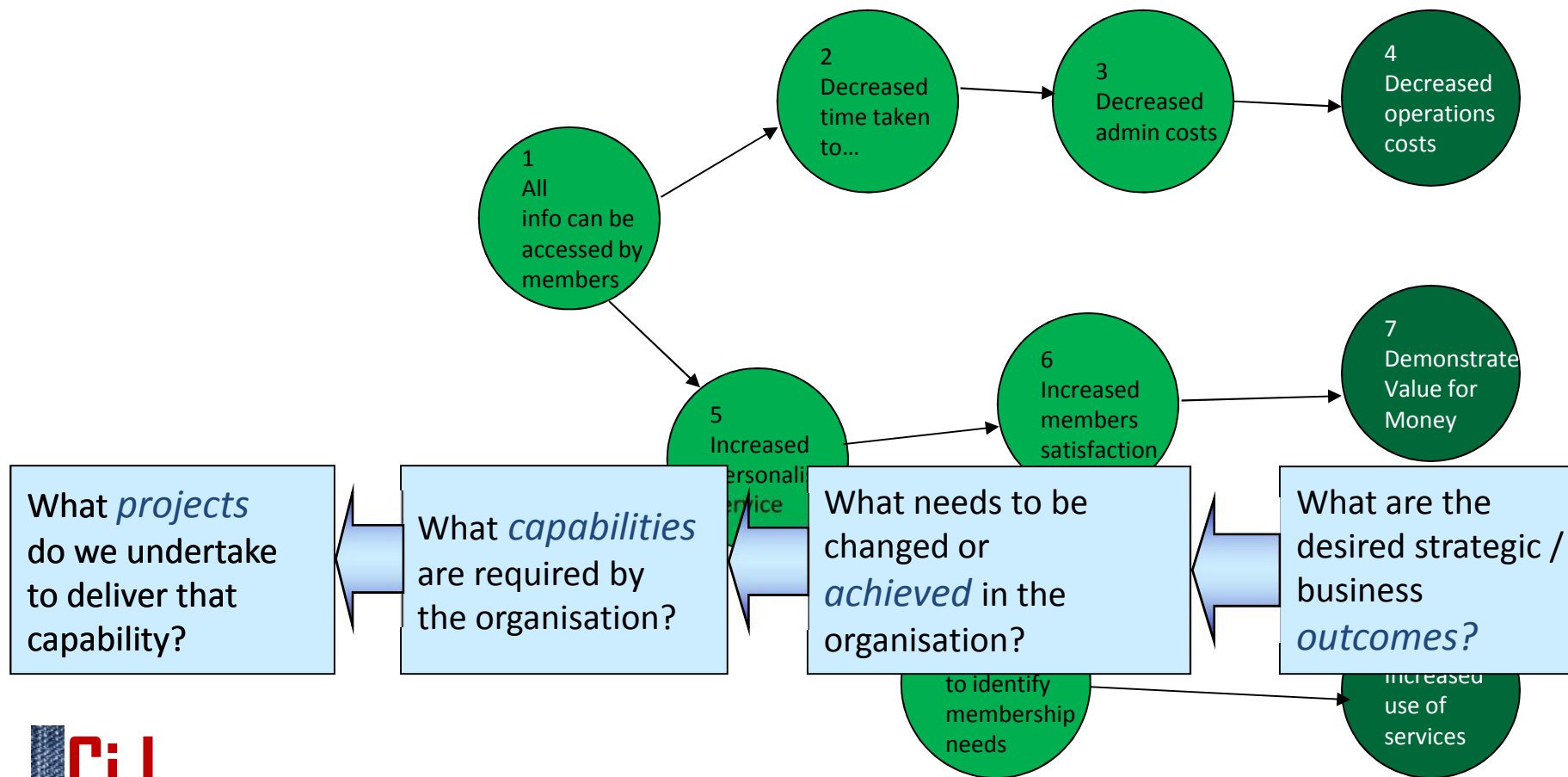




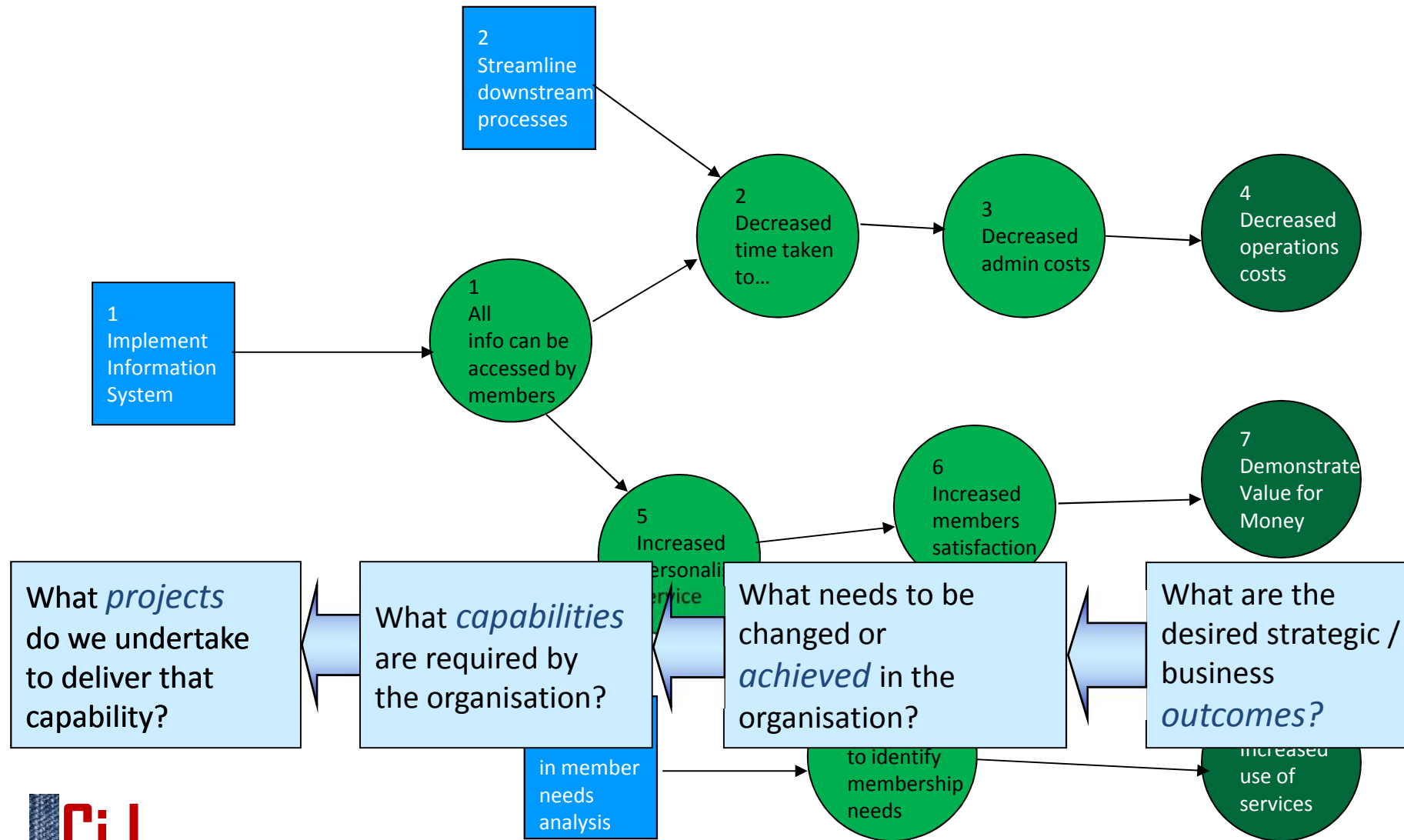
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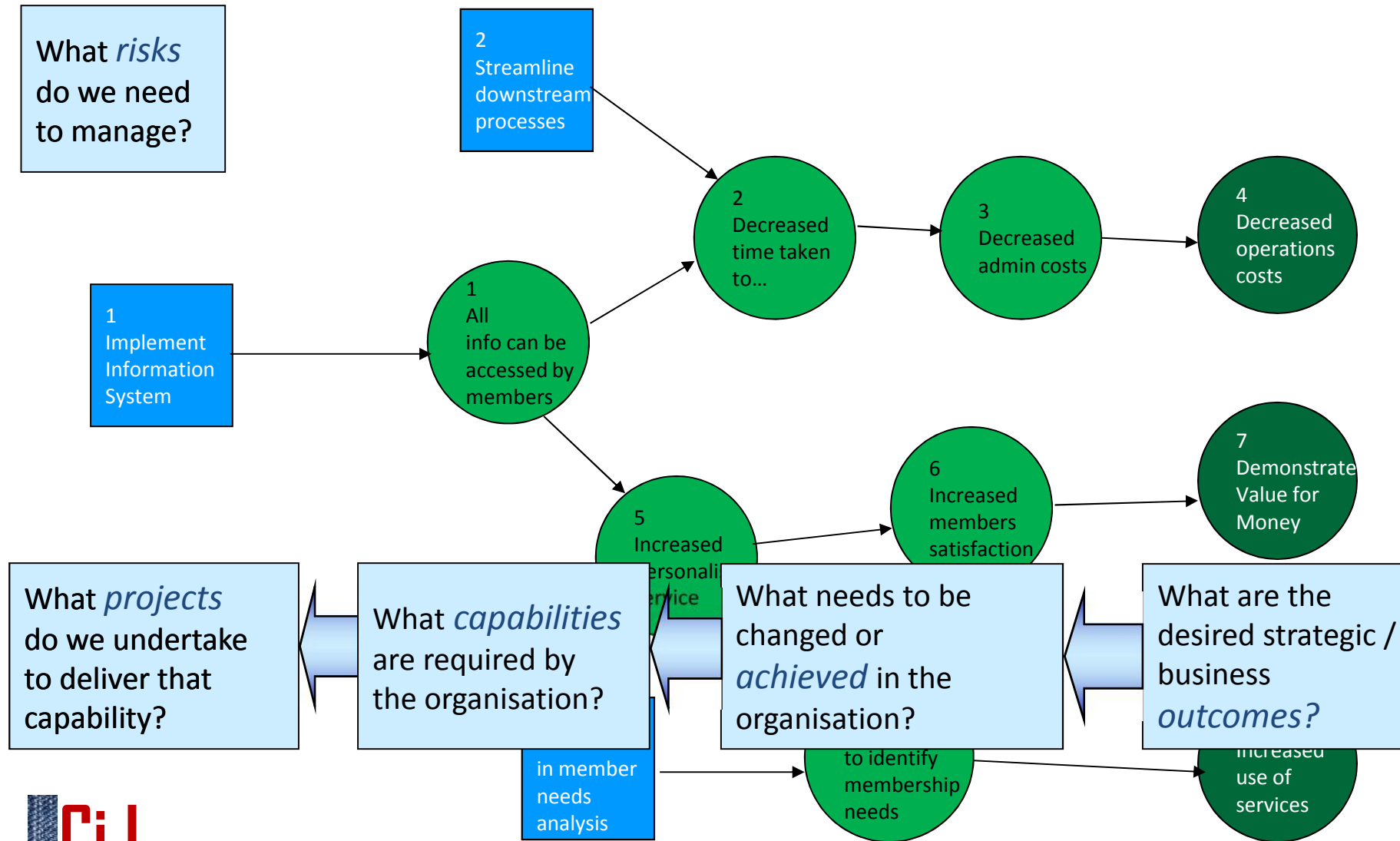
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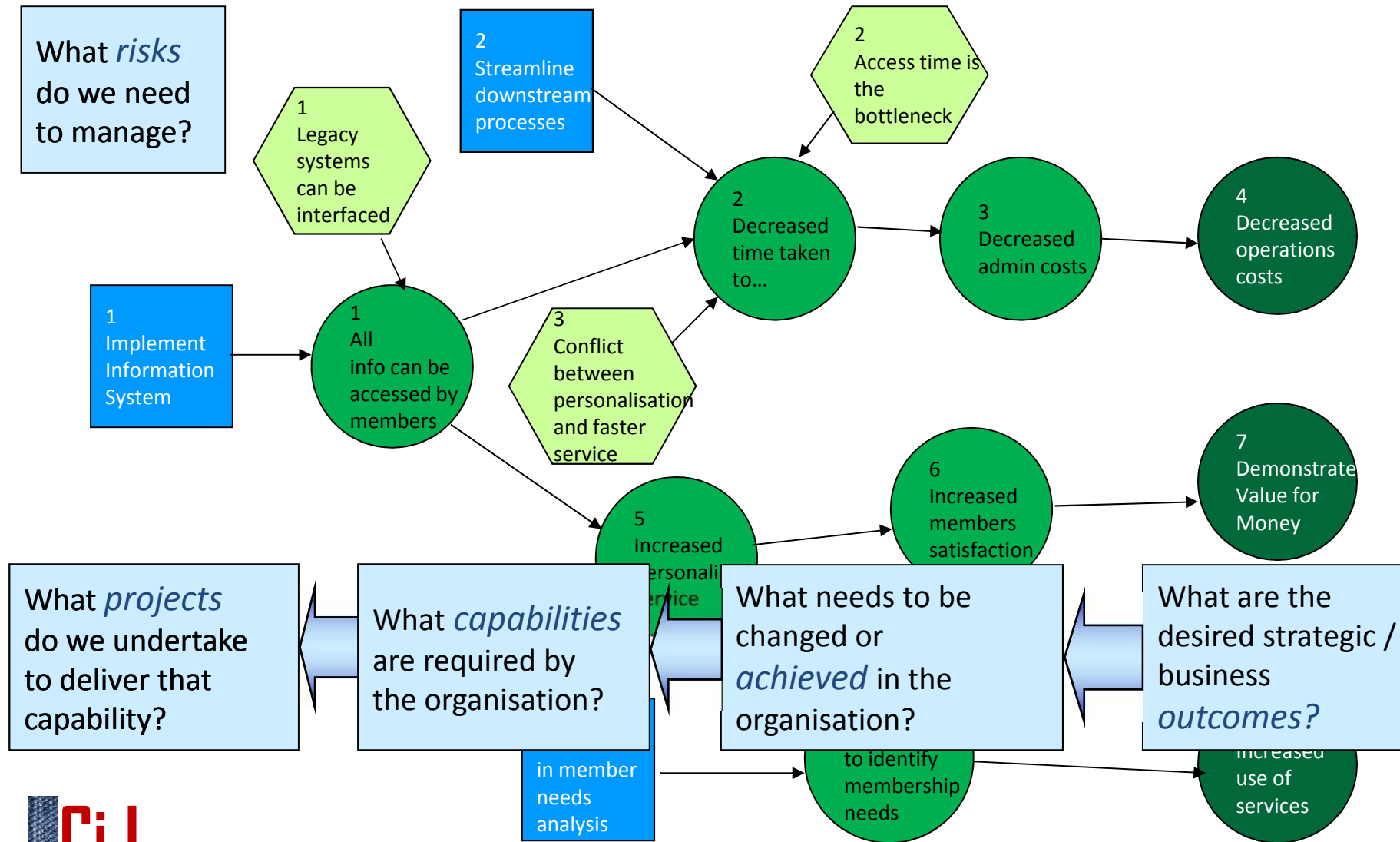
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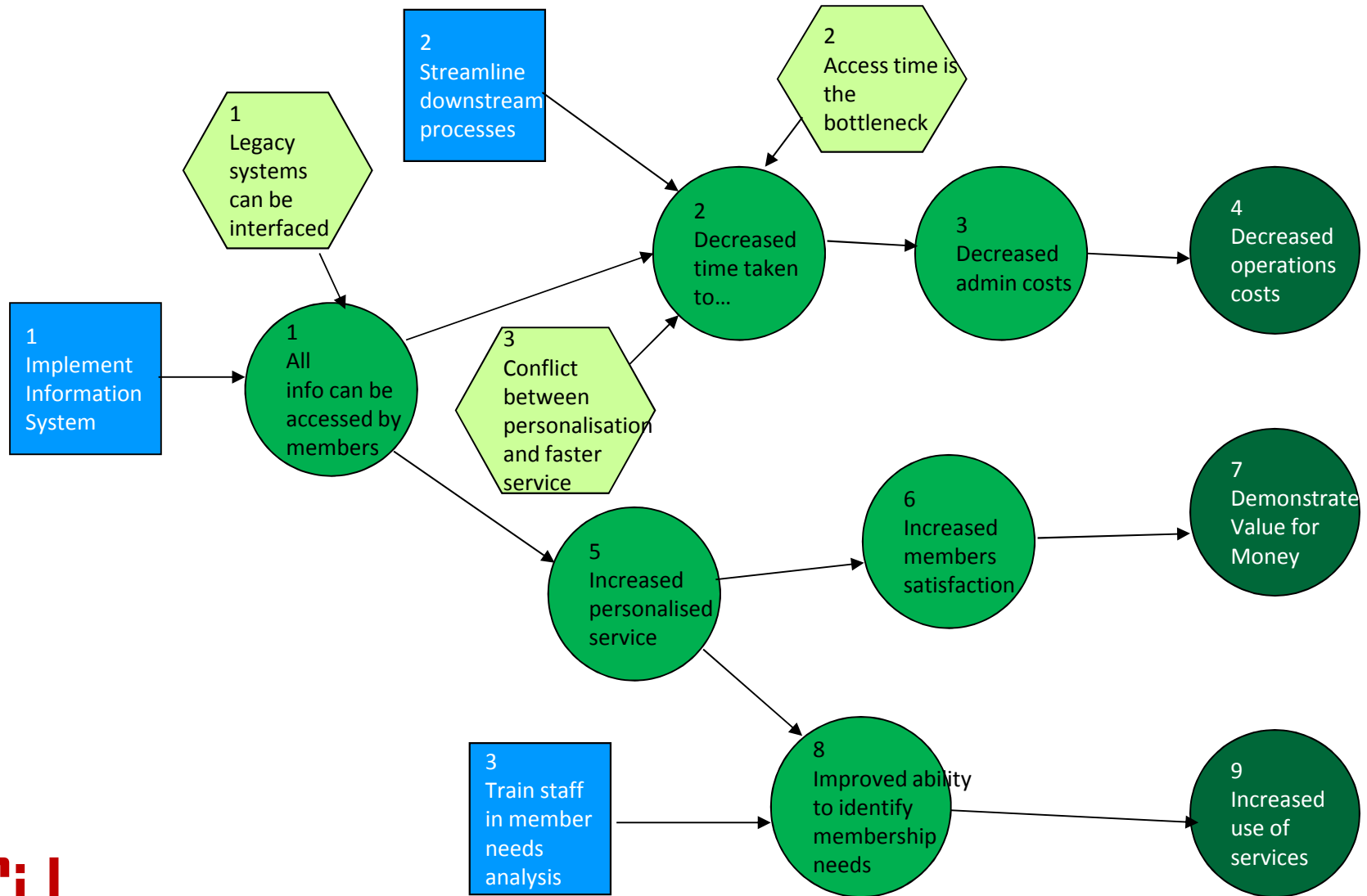
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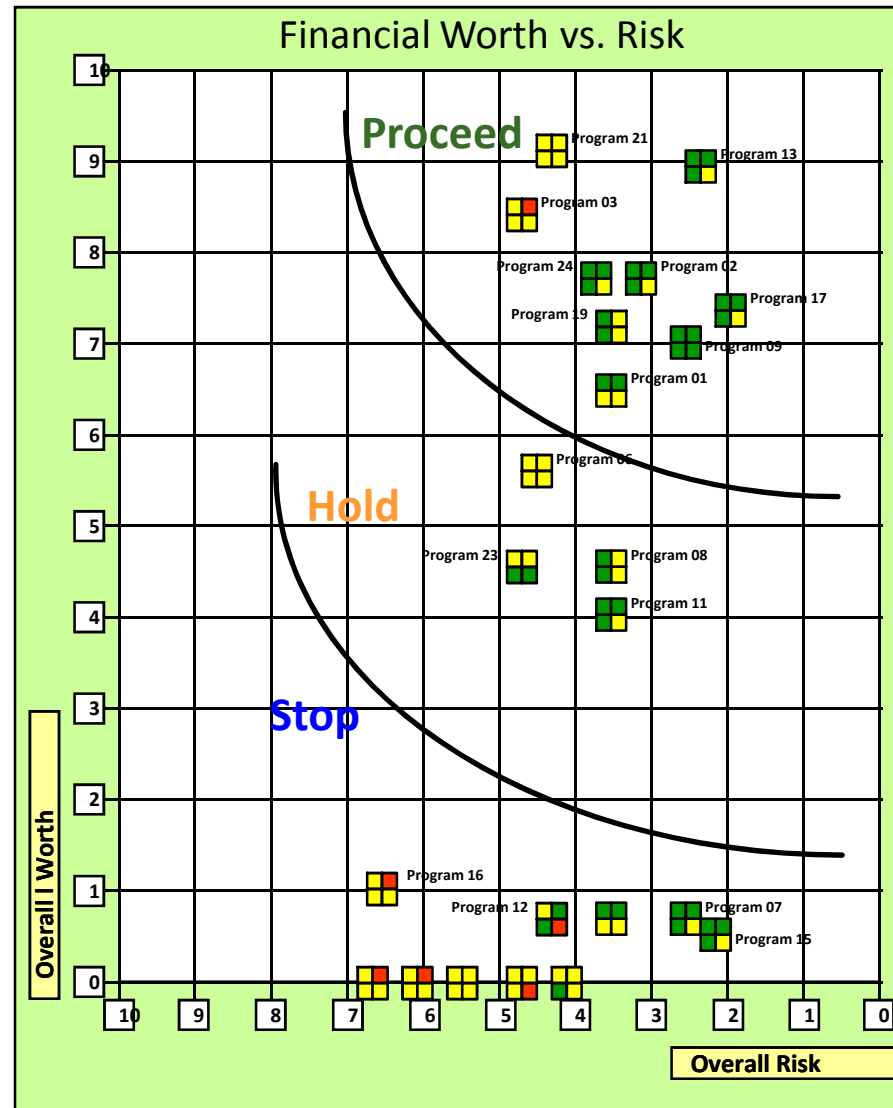
# Identifying Strategic Projects



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# Portfolio Selection



# *In summary*

— BDN Maps provide: -

- Improved *understanding* of the work (tasks, initiatives, projects) we need to undertake to achieve our strategic objectives
- *Demonstrates* how value will be contributed to the organisation and its members and what business capabilities are required to do so
- *Clarity* as to what is required to build the necessary capabilities
- Identifies *interdependencies* between strategic objectives / initiatives
- Promotes *meaningful discussions* around strategy achievement
- Provides understanding of the underpinning *assumptions & risk*
- A way of ensuring that initiatives undertaken are *aligned* to the organisation's strategic objectives



## ***Contacts***

***Mark Berge***

**Principal | Consultant**

**[mark@cij.co.nz](mailto:mark@cij.co.nz)**

**027 230 1500**

***Arnold Young***

**Principal | Consultant**

**[arnold@cij.co.nz](mailto:arnold@cij.co.nz)**

**027 284 1960**