Taking the Risk out of Risk Management implementations

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Presented by

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The Agenda

- Setting the Scene – Case Study & Introductions
- What is the risk in implementing risk management?
- What tools and approaches are out there to minimise risk?
- What other success ingredients are there?
- Bringing it all together

Case Study

- Gisborne District Council
- Serving 46 000 residents and ratepayers
- Government: Mayor, Meng Foon
- Council: Chief Executive, Judy Campbell
- Excitedly preparing for the 250th anniversary of the landing of Captain James Cook in 2019.

Introductions – the key players

Donna Shaw

- Project Manager, Gisborne District Council
- Implementing Project Risk

Barry Vryenhoek

- Chief Financial & Information Officer
- Executive Sponsor
- Driver and desire to be 'Risk Intelligent'

Youssef Mourra

- Programme Manager, Gisborne District Council
- Implementing Programme RAPID
- The other three projects are
  - Project Business Continuity
  - Project P3M (Project, Programme and Portfolio Management)
  - Project Interplan (Organisational Performance Management)

What is the risk?

- Why is there risk associated with implementing Risk Management?
- No guarantee that a project about risk will be risk-free!
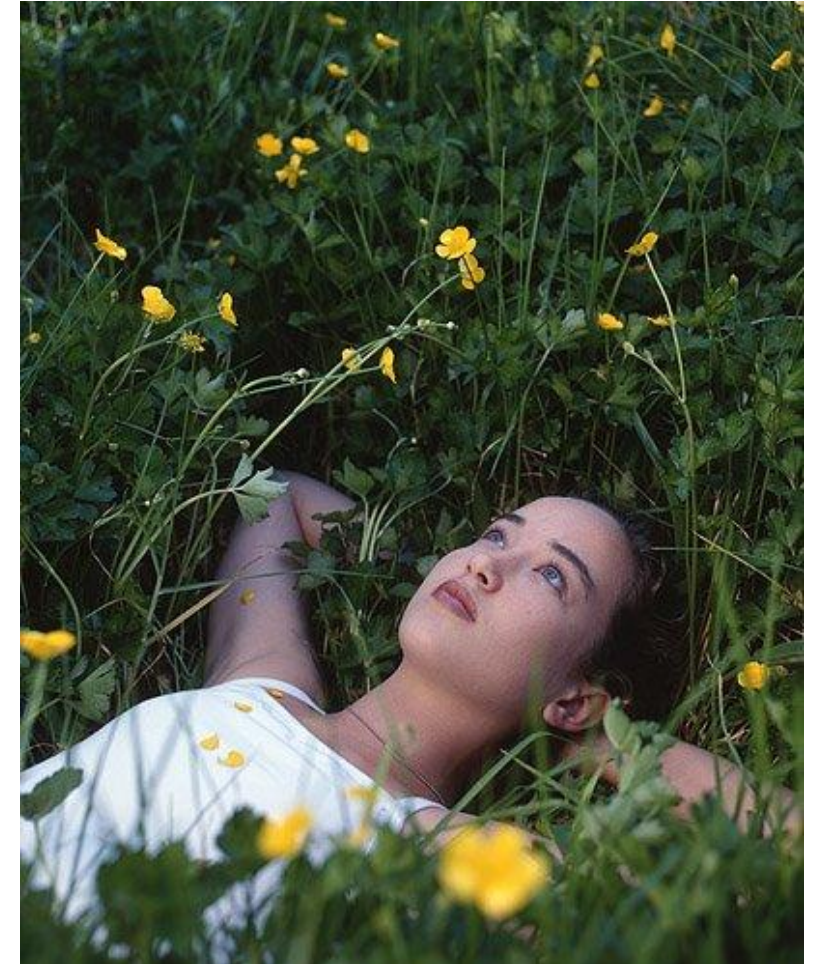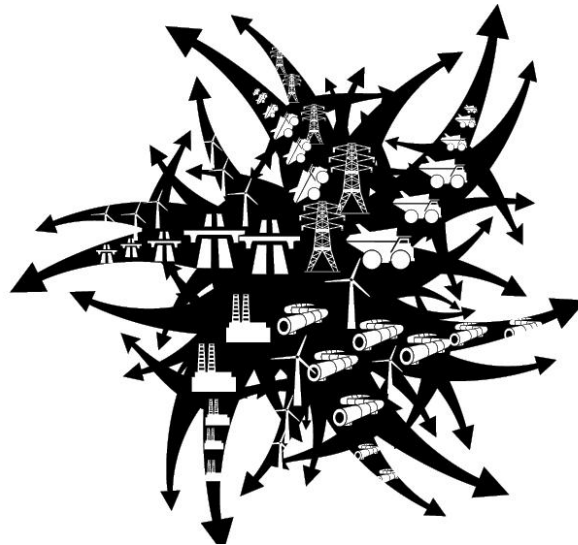
What was the risk of not implementing?

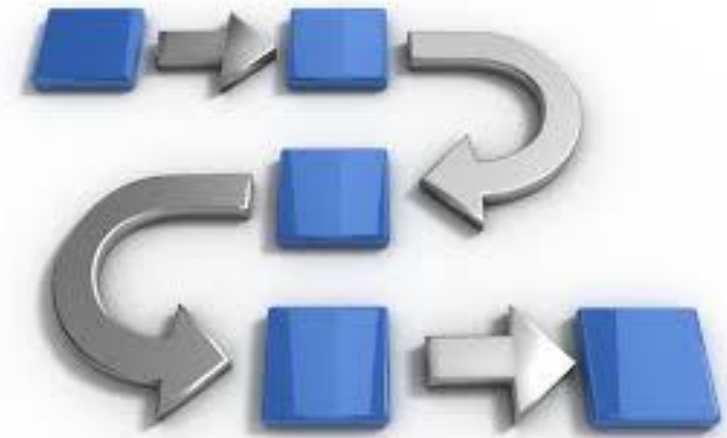# Where and How do you start?

- Strategy without Action?

Daydreaming!

- Action without Strategy?

Chaos!

How do we de-risk a project like this?

- Use well worn, tried and tested ways of doing things.
- These are called 'methodologies'

Methodologies

- They allow us to stand on the shoulders of giants

- Some well known methodologies out there include:
  - PRINCE2 – well known methodology for rolling out projects
  - PMBOK – another well known methodology for projects
  - Agile – an approach to early results and values when developing solutions
  - Etc..etc…

What tools and approaches are useful here?
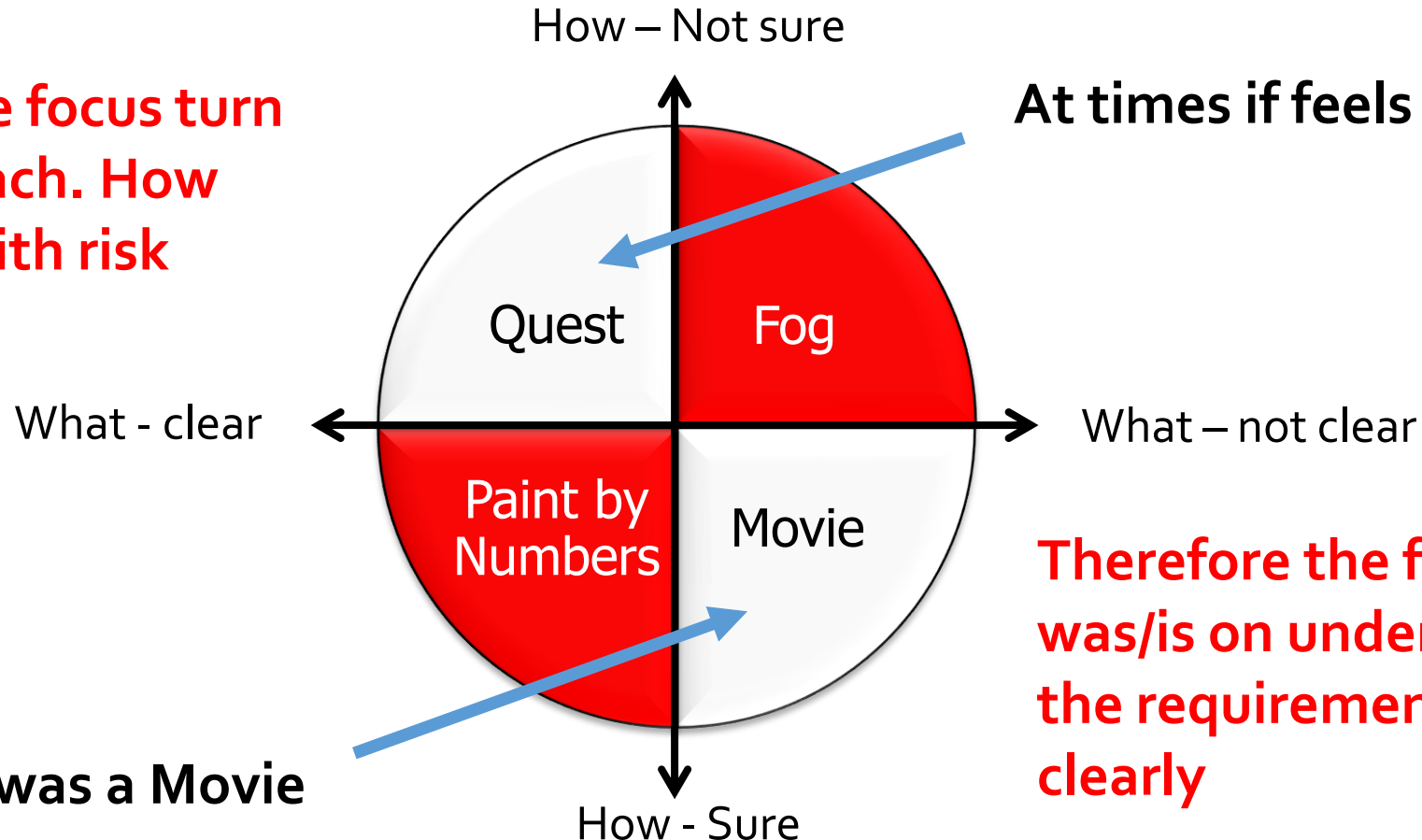
- CAIROS
- Eddie Obeng
- ADKAR

Defining Roles & Responsibilities

- Understanding Roles & Responsibilities is fundamental to the result of any endeavour. Being clear about this makes for better Stakeholder engagement
- **CAIROS** (sometimes known as RASCI or even RACI) outlines clearly the different responsibilities a typical group of people would have when engaged in an endeavour
  - **C** represents those we Consult with
  - **A** represents the one Accountable person
  - **I** refers to those to whom we need to keep Informed
  - **R** refers to those who will be Responsible
  - **O** is used to identify those who will be kept Out of the loop
  - **S** is used to describe those who will Support the initiative, mainly those who are Responsible

What type of implementation is this?
Eddie Obeng's Project Types

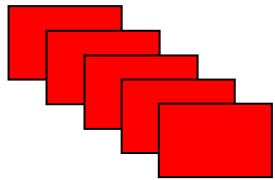**Therefore the focus turn to the approach. How do we deal with risk appetite?**

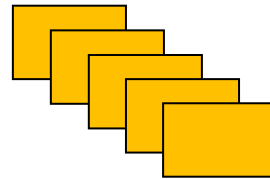**At times if feels like it is a Quest**

How – Not sure

What - clear

What – not clear

Quest

Fog

Paint by Numbers

Movie

How - Sure

It felt like it was a Movie
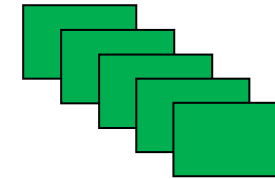
Therefore the focus was/is on understanding the requirements more clearly

Change Management : ADKAR

Change Management

Current State

Transition State

Future State

A | **D** | **K** | **A** | **R**

Awareness
of the need
for change

Desire
to participate
and support
the change
(WIIFM)

Knowledge
on how to
change

Ability
to implement
required skills
and behaviours

Reinforcement
to sustain the
change

Awareness

Project Risk has arrived
...part of Programme RAPID
...part of the Business Transformation Portfolio

Goal: *Operating and managing the business of council in a no surprises, financially prudent and risk intelligent way.*

1. Risk is Uncertainty
The accepted global definition of risk is: "The effect of uncertainty on objectives."

2. Risk vs Issue
A **risk** is an event that might happen for which there needs to be assessment (identification and analysis) and a choice made to mitigate (lower), accept, transfer, or eliminate the risk. Whereas, an **issue** is an event that *has* happened for which there needs to be a response.

3. Risk can be Positive, Risk can be Negative

4. Risk Management
Therefore, we manage risk to ensure successful outcomes. Risks change as the environment changes. Monitoring and reporting risk, identifying and assessing new risks are all activities that allow us to anticipate what might happen and therefore make us **proactive**. Without this, we can drift into remaining or become **reactive**.

5. Risk Control vs Risk Mitigation
Mitigation is one of a variety of treatments that could be applied to a risk. Control is what is already in place or could be put in place to modify the likelihood or consequences (or both) of a risk on a more permanent basis.

6. Risk Intelligence. The goal for the Council and all its staff
Being aware of and actively monitoring what might happen, both good and bad, in the workplace (the chances of it happening - the likelihood - and what impact it would have - the consequences) will make us all risk intelligent.

Want to know more? Contact....
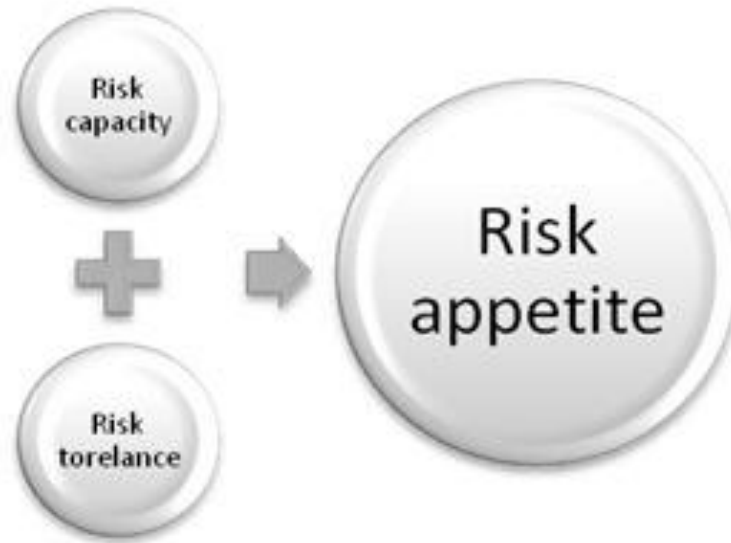
Donna Shaw | Project Manager, Project Risk

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DDI: 06 869 2452
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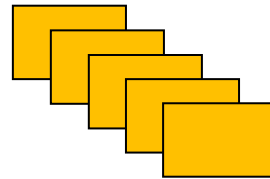
Desire

Risk Rating = Likelihood x Severity

Severity			5	10	15	20	25
	Catastrophic	5	5	10	15	20	25
	Significant	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Negligible	1	1	2	3	4	5
			1	2	3	4	5
			Improbable	Remote	Occasional	Probable	Frequent

Likelihood

Catastrophic	■	STOP
Unacceptable	■	URGENT ACTION
Undesirable	■	ACTION
Acceptable	■	MONITOR
Desirable	■	NO ACTION

Change Management : ADKAR
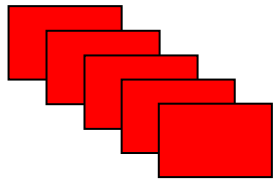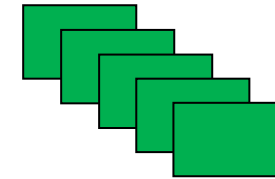
NONSUCH CONSULTING

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What other magic ingredients are out there?

- Sponsorship
- Subject Matter Experts

Sponsorship

- Active sponsorship – Leadership must be engaged and risk champions
- Executive Buy-In. Leadership by example.
- Within scope, always be agile and communicate, communicate and communicate

Subject Matter Expertise

- Retained ***Adrian Sparrow*** as a SME
- Used ***Impac*** for our OH&S review

Bringing it all together

- Carrot & Stick
    - **What's the Carrot?** Fewer worries and the comforting feeling of a Plan B, C etc.
    - **What's the Stick?** Recent legislative changes that raise the level of exposure of directors and office bearers
- Aligning the policies
    - OH & S
    - Civil Defence
    - Epidemic
    - Project, Programme and Portfolio Management
    - Common Language, Common Approaches

Any Questions?

Thanks and Good luck!

- Thanks for your attention and attendance today
- For more information, please contact me on
  - Phone: **021 423 620**
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  - **This presentation:** **http://www.nonsuch.co/riskatgdc**
  - Email: **youssef@nonsuch.co**
  - Follow me on **@youssefmourra**