Global Risk Management Day

Strategic Risk and Crisis Management

How to limit risk when decisions are taken?

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WINNING COMPANIES WINNING PEOPLE

COLIN COULSON-THOMAS

The Business Channel
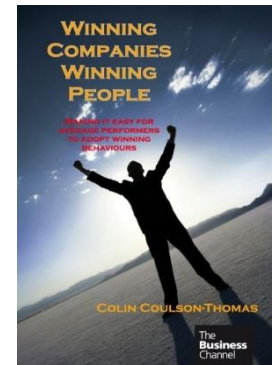
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Greetings from the United Kingdom

Strategic Risk and Crisis Management
Agenda

- Understanding, Monitoring and Responding to Existential Risks and Crises

- Reflect on the Future Role of The Risk Management Community

- Consider ways of limiting risk as and when decisions are made

Issue/Risk Monitoring and Management

- What are the major trends, developments and risks in the external environment and operating context?

- How will those that represent strategic risks impact upon the company and its activities?

- How will they impact upon customers and other stakeholders and potential collaborators?

- What needs to be done in response
  - at local level?
  - at operating unit level?
  - at group/corporate level?
  - at community, city, national and international level?
    - … to address problems and seize opportunities
    - … to help customers and others respond

Challenges Facing Mankind

- We face multiple inter-related and shared challenges:
  - COVID-19 pandemic / anti-microbial resistance
  - Environmental degradation
  - Loss of bio-diversity
  - Over-exploitation of natural capital
  - Sustainability
  - Global warming and climate change
- With these challenges come associated opportunities
- Addressing strategic risks and existential challenges while seizing associated opportunities creates problems for organisations and societies (and RM)

Our Shared Challenges and Opportunities

- They arise together and are crises (like 'Fukushima')
- They have consequences for multiple activities
- They cannot be given to one organisation, function or Government department to address
- **Collaboration and collective effort is required**
- There may be winners and losers
- There will be vested interests to confront
- People may want to hang on to what they have, preserve advantages and regain what they have lost
- Lower growth rates and higher costs that may be necessary for sustainability tend not to attract votes

Crisis Decision Making Challenges

- Managing high impact but low probability risks
- Lack of time and current/accurate information
- Reacting to events v/& addressing root causes
- Some people cope better than others
- Keeping a decision-making team tight complicates securing wider engagement
- Shortage of time can lead to reducing inputs and over-simplification
- Risk of significant and valid viewpoints being ignored or excluded (Role of risk management?)

Achieving a Responsible Recovery

- Shared Purpose and aligned stakeholders
- Agility and flexibility
- Cohesion
- Trust and legitimacy
- Responsible and Caring Leadership
- Resilience
  - Resilience is about coping, responding and rebounding
  - Re. the COVID-19 recession we want to build back better

What support can risk management provide?

Awareness? Understanding? Commitment? Action?

Responsible Recovery Questions

- Were previous activities and lifestyles sustainable?
- Can we turn adversity and tragedy into an opportunity to move towards a more sustainable future?
- Should we look beyond a 'new normal'?
- Can we evolve, transition and transform to more sustainable and inclusive models of development that are less environmentally damaging?
- We need innovation – social innovation as well as business and economic innovation.
- We must create and adopt simpler, healthier and less stressful lifestyles that safeguard natural capital.

Inspiring Responsible Innovation

- Living sustainably and in harmony with the natural world might still be achievable and offers hope

- We need diversity, challenge and questioning and experiment and exploration if we are to bounce back to a better place

- We need socially and environmentally responsible innovation, enterprise and entrepreneurship

- Is the risk management community inhibiting or supporting necessary innovation and risk taking?

- What can risk managers do to help build responsible innovation into the purposes, visions, values, goals and objectives of organisations?

Questioning Risk Management

- Most living beings have to incur and manage risk and uncertainty. RM core element of education

- Risk perceived as negative rather than positive

- Risk inherent in innovation and not innovating

- Mitigating risks v addressing opportunities

- Reducing downsides (-ve) v adding value (+ve)

- Mitigating the known v preparing for the unknown

- Innovation, flexibility, etc. in risk management

- 'RM brings problems rather than solutions'

- Courage to challenge practices and priorities

- Engaged/embedded v on sidelines or at H Office

Coulson-Thomas, Colin (2017), *The Future of Risk Management in an Uncertain World* [White Paper Summary/Handout], New York, NY, RIMS

Future role of risk management

- More strategic, relevant and collaborative

- Less of an overhead cost concerned with compliance and avoiding risks

- More of a proactive enabler of reducing risk when decisions are taken and innovation, enterprise and entrepreneurship

- Greater focus on issue/risk monitoring and management, stakeholder engagement and internal alignment and external collaboration

- Greater diversity of approaches to reflect stage of development, context and changing priorities

Avoiding Risks / Ensuring Compliance v Supporting Decision Making

- Traditional Approach:
  - Checks and Reviews
  - Delays and Higher Costs
  - People focused on compliance rather than customer/issue
  - Creative responses discouraged due to compliance issues
- New Approach:
  - Build checks and reviews into support tools
  - People cannot produce proposals, etc. that mis-sell etc.
  - Faster responses and lower costs
  - People free to be pro-active and innovate
  - Help people to do the right and responsible thing
  - Make it difficult for people to do the wrong thing

Source: Colin Coulson-Thomas, Talent Management 2 and Transforming Public Services, 2012 and Transforming Knowledge Management, 2013

Performance Support (WHO Report)

World Health Organization

News Release

Checklist helps reduce surgical complications, deaths
Surgical adverse events reduced by one third in trials in eight countries

14 January 2009 –- Hospitals in eight cities around the globe have successfully demonstrated that the use of a simple surgical checklist, developed by WHO, during major operations can lower the incidence of surgery-related deaths and complications by one third.

The studies were undertaken in hospitals in each of the six WHO regions. Analysis shows that the rate of major complications following surgery fell from 11% in the baseline period to 7% after introduction of the checklist, a reduction of one third. Inpatient deaths following major operations fell by more than 40% (from 1.5% to 0.8%).

"The concept of using a brief but comprehensive checklist is surprisingly new to us in surgery. Not everyone on the operating teams were happy to try it. But the results were unprecedented. And the teams became strong supporters," said Dr Atul Gawande, main author of the study and team leader for the development of the WHO surgical safety checklist.

Data was collected from 7688 patients – 3733 before and 3955 after the checklist was introduced.

The study was carried out in hospitals in both high and lower income settings—in Ifakara (Tanzania), Manila (Philippines), New Delhi (India), Amman (Jordan), Seattle (United States of America), Toronto (Canada), London (United Kingdom) and Auckland (New Zealand). The reductions in complications proved to be of equal magnitude in high and lower income sites in the study.

Implications for other medical fields

"These findings have implications beyond surgery, suggesting that checklists could increase the safety and reliability of care in numerous medical fields," Dr Gawande said. "The checklists must be short, extremely simple, and carefully tested in the real world. But in specialties ranging from cardiac care to paediatric care, they could become as essential in daily medicine as the stethoscope."

Performance Support…
…at its simplest…
…a checklist

Major complications
11%   7%

Inpatient deaths reduced by more than 40%

Source: *Checklist helps reduce surgical complications, deaths* (News Release), WHO, 14th January, 2009

Psoriasis *self-care*

The Journey

The journey is designed to take you step by step on the road to managing your condition and your medication in the best way.

It gives you practical advice from healthcare professionals with years of experience in treating people with psoriasis.

Click on the journey links to access the pages.

Could I have psoriasis?

What are the different types of psoriasis?

Should I seek medical help?

How do I cope with emotional issues?

What treatments are available?

How do I apply treatments?

How can I make day-to-day life easier?

What if it gets worse?

Build my action plan

# Limiting Risk When Taking Decisions
(Performance Support Principles)

- Move risk and return curve upwards and outwards (increase return and reduce risk)
- Simultaneously achieve multiple outcomes with existing people, culture, processes and structures
- Focus on key work groups
- Provide 24/7 personalised support as and when and wherever required
- Incorporate critical success factors
- Enable individual and shared learning
- Increase competence and confidence with use

Limiting Risk When Taking Decisions
(Performance Support Tool Examples)

- Contract risks in Telecoms
- Mis-selling risks in Financial Services
- Massive increase in product range
- Introducing new technologies
- Consortium of professional risk practices
- Supporting new business/operating models
- Enabling new ways of working
- Offshoring and/or on-shoring activities
- Protecting the environment
- Enabling more responsible purchasing
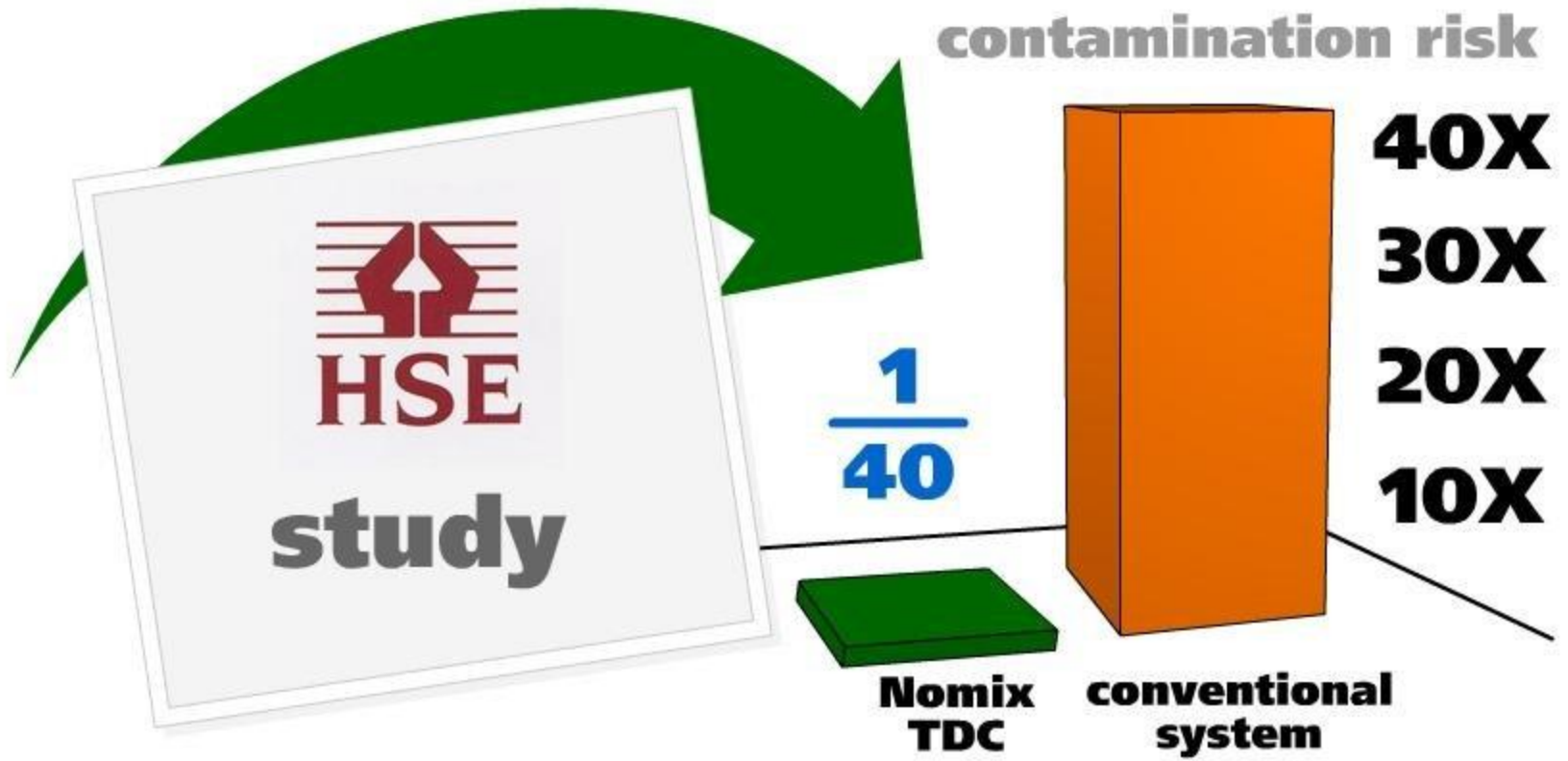
Personalised Performance Support

Awareness, Understanding, Commitment, Action

- Integrating learning and working
- Importance of understanding
- Enable pro-active innovation
- Helping people to help themselves
- Incorporating self-assessment questions
- Incorporating social networking
- Peer-to-peer support (BT and Google)
- Facilitate collaboration (e.g. 'Fukushima' event)
- Monitor use (who, where, what and when)

Benefits of Performance Support
Simultaneously achieving multiple objectives

- Boost performance

- Speed up responses

- Increase understanding

- Reduce stress

- Cut compliance costs

- Avoid risks and enable bespoke responses

- Make it easy for people to do difficult jobs

- Free people from dependency on particular locations

- Support mobile activities, relocation and outsourcing

- Quick paybacks and large returns on investment
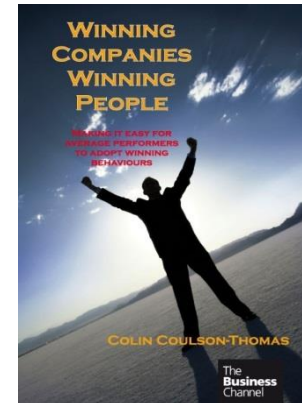
Source: Colin Coulson-Thomas, Talent Management 2 and Transforming Public Services, 2012 and Transforming Knowledge Management, 2013

Quickly Transforming Performance

- Prioritise. Focus on and support critical jobs within key processes and activities

- Help average performers to adopt the approaches of superstars / Personalise support

- Simultaneously boost performance, cut costs, reduce risk and ensure compliance

- Deliver multiple benefits for both people, teams, organisations and the environment

- Achieve multiple objectives with existing people cultures, processes, structures, etc.

Further Information

- For information on 'Winning Companies; Winning People', 'Developing Directors', 'Talent Management 2', 'Transforming Knowledge Management', 'Transforming Public Services', and reports on creating and exploiting knowledge, customer and client relationships, purchasing, winning business, pricing, etc. briefings, tools and related benchmarking services:

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