

No surprises!

Managing Risks and Delivering Effective Decisions



Traditional (Old World) Challenges

Focus on risk to activities
Focus on Technical Risk
Significant use of mathematics
and arithmetic
individual or organisational risk
attitudes ignored
Risk managed at t atop level
Decisions about risk are
separated in accountability from
the people who really
understand the risk

New World Challenges

- Focus on risk to benefits not activities
- Focus on all risks
- 'Significant focus on high impact high probability
- The impact of risk attitude on 'risk blindness' is taken into account
- Risk removal at a local level
- Decisions about risk are taken by or fully involve the people who most understand the risk

Purpose

- In the New World change and complexity mean that with any selected goal or strategy there are an increasing number of influences which could prevent the successful realisation. These influences are risk. It becomes essential to identify and eliminate risk - reducing the number of 'surprises' and issues faced; manage the quantity and extent of upward reporting; reduce the issues with decision delays whilst waiting for someone else to make a decision on which others are relying; reduce the difficulty of 'picking up an issue from a predecessor' (assuming that they are trained); provide a common way of looking at issues which can be discussed with colleagues

Outcomes

- Lasting behaviour change
- A common framework for assessing risk and making decisions and managing out risk
- How to move beyond technical risk to intuition and insight
- An understanding of how to use practical tools for risk assessment
- An ability to ensure that the correct people are involved in the decisions arising
- Participants find it easier to make decisions on risks that affect the Organisation positively even if they affect people negatively
- A deep understanding of how risk attitudes and risk awareness 'cloud our judgement' and how to avoid typical pitfalls
- Communicating effectively, persuading through an understanding of risk attitudes
- Participants can delegate, hand-over and monitor the effect of decisions

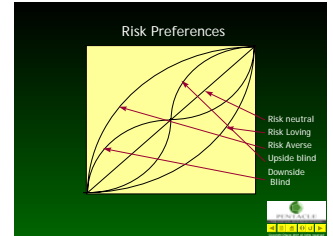


Alien invasion

Actual Risk - Risk attitude

Studies of catastrophes demonstrate that although objective analysis may have been carried out personal risk attitudes and standard practice erode the will to take action
RiskWheel™

The Pentacle RiskWheel provides an easy to remember practical journey



Pre-session Audit
Risk Healthcheck

Shortly before (the week before) the course, the participants are asked to discuss/identify with their line manager one key area of concern to the line manager and one major decision which needs to be taken. This will be used as the basis of some of the exercises on the course.

Pre-reading
Money Making Machine - Dr. Eddie Obeng

Session Activities

There was a request in the ITT that this session be held outside a classroom.

Theme	Coverage
The nature of the New World	Sources of risk Apparent and real risk Arithmetic risk Understanding other people's risk attitudes and how they affect decision making and risk blindness Risk Questionnaire Video Titanic - Risk Blindness
Impact of poor risk management	Dice game Understanding implications

	Worst scenario analysis Risk attitude - Personal "The Blindfold Challenge" Virtual Guest NASA The Challenger disaster
The decision making process	Establishing the need for a decision Checking the business benefit Involving the right people Involving the right information Making assumptions explicit Establishing an early warning system Avoiding reversal
Applying the risk and decision making process	The big exercise: Participants will be involved in a 2 hour Pentacle scenario-based simulation which addresses practically the challenges of risk based decision making Resolving individual issues

Managing a decision making meeting Gaining confidence from others
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Post -Application

Monitoring and reviewing of key areas of risk of concern. Pentacle Performance Enhancement Tool (PeT) on line CyberFranck™

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