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A Short Guide to Facilitating Risk Management

Engaging People to Identify,
Own and Manage Risk

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1 Introduction



The success of organisations relies on making good decisions in risky and important situations. Most organisations have a defined risk management process to help them do this. Unfortunately, far too many of these processes don't deliver value. Although they are almost always logically correct, they tend not to take into account the influence of people. This book is designed to help you deliver results using risk management processes that work with and through people.

WHO IS THIS BOOK FOR?

This book is for all those who want to make sound decisions in important but risky situations: people who need to work with groups to identify, prioritise and respond to risks, and who wish to deliver value.

Does this apply to you? Maybe you have one of these job titles?

- Operations manager;
- Project or programme manager;
- Business analyst;
- Risk facilitator or manager;
- Internal or external consultant;
- Director;
- Health and safety manager; or
- HR professional.

But in truth, your job title does not matter. The only thing that matters is that you are involved with a risk management process in some way. If you are, you're likely to plan and run meetings or workshops where risks are discussed. You probably also give advice to others and coordinate people. In short, your role is to get risk management to work through

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other people. Throughout this book, we will use the term ‘risk facilitator’ to describe people who carry out such tasks.

Are meetings and workshops that focus on risk different? We believe they are, and that’s why we’ve written this book. When groups discuss risk, they are trying to predict the future in a way that is as rational as possible, yet we know that human beings are complex and perceive risk differently. This means that what groups decide is often not rational. Some would say that when people talk about risks they are predictably irrational (Ariely, 2008). That’s what makes facilitating risk management such an interesting challenge.

WHAT WILL YOU GAIN FROM READING THIS BOOK?

This book is designed to be a helpful companion to you as you manage risk. It covers five main areas:

1. AVOIDING PITFALLS

In this book, we’ve identified a whole host of traps for the unwary risk facilitator. These are the pitfalls that we’ve had to overcome ourselves and we’ve helped our clients with. By reading this book, especially Chapter 6, you’ll know what to avoid and, more importantly, *how*. We trust that you’ll be better prepared, able to use your knowledge with groups, avoiding skewed results.

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2. UNDERSTANDING RISK MANAGEMENT

Groups involved in risk management need to understand what they're working on, but what level of detail do they need to go to? Chapter 2 provides a broad overview of the field of risk management, which includes the human elements. Use this to refresh your own understanding and decide what's appropriate to share with your groups.

3. UNDERSTANDING YOUR ROLE

Whether risk facilitation is just a small part of your job or takes up 100 per cent of your time, Chapter 3 will give you an overview of the skills you need. Stories from successful risk facilitators show how they've delivered results inside their organisations. You'll gain ideas on how best to develop your own skills, as well as possible development paths for your organisation.

4. TRIED AND TESTED TIPS FOR EACH STEP OF THE RISK MANAGEMENT PROCESS

Chapter 4 includes each step of the risk management process, showing how you can break it down into simple steps. We provide proven practices for each step, showing how you can use the right mix of workshops, small groups and individual work to keep people engaged and to get results from start to finish.

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5. RUNNING RISK WORKSHOPS

Chapter 5 covers the whole area of making workshops work. It gives a range of practical tips to help you get the best from your groups when they're working together, both face-to-face and virtually.

Above all, this book is a practical, quick read. It's full of tips that you can put into practice straight away, confident that they are based on practical experience, as well as research. In addition to our own experience, you'll see real life stories from other risk facilitators and hear the risk management pitfalls encountered by hundreds of people.

WHY READ THIS BOOK NOW?

With the global economy recovering as we write this book, there's a focus on risk. Many feel that the credit crunch of the late 2000s was a result of poor, uncontrolled risk management and an attitude of risk seeking in banks all over the world.

Despite this, books on risk and conferences seem to focus on the risk management process – what to do when. There is a growing realisation that process alone won't make risk management work and that skilled facilitation of risk is needed as well.

Another driver is that facilitation is maturing as a discipline with much practical advice available to help risk professionals.

We met and realised that, between us, we have a rare combination of skills and experience. Ruth's books on risk

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attitude with David Hillson and her detailed knowledge of risk management complimented Penny's wide experience of facilitation really well, and this book was born.

OVER TO YOU

This book is designed to help you to tap into the latest understanding of risk management and apply many practical ideas and tips within your work and organisation. Please let us know how the ideas and tips work for you. We'd welcome your input and any changes you would suggest for future editions. You can contact us via the website that accompanies this book, www.facilitatingrisk.com.

REFERENCES

Ariely, D. (2008) *Predictably Irrational: The Hidden Forces that Shape our Decisions*, New York: HarperCollins.

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