

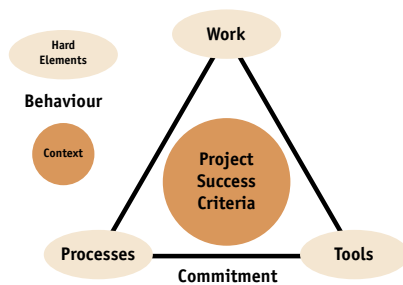
If risk management is good for us, why don't we do it?

Much of our year is spent consulting, training or writing books on the subject of risk management and there are many other consultancies and training companies reading this that have done the same. Many people seem to accept the old axiom, promoted by BP in the 1980's, of 'manage the risk, manage the project'; but the same people and many others seem to struggle to implement best practice, despite the valiant efforts of trainers, learners, method developers and the like.

So if risk management is good for us, why don't we do it? What will it take for knowledgeable people equipped with appropriate processes and tools to actually commit to action?

Our friend and colleague David Hillson talks of the critical success factors for risk management including theory, tools, techniques and training and that, whilst there is nothing wrong with any of these, they are necessary but not sufficient for success. In the previous Lucid Thought we noted that it is increasingly recognised that the human, psychological aspects of risk management are critical, but again this is only a part. The diagram shows that to achieve project success criteria, the work to be done and the tools and processes used to do the work will only 'hold together' if they are joined by the right communications, commitments and culture.

Our view, therefore, is the thing that does makes a difference is a robust



approach to risk management that is part of the organisational culture, shared and meaningful within the group concerned. Assuming for a moment that developing such a pro-risk management culture would make the difference, then what organisations, groups, families and project teams need is leadership and a strong, influential, positive role model for adopting risk management practices.

When something is part of the culture, deeply ingrained and sub-conscious, it is no longer an option, but a part of 'the way we do things around here'. It seems to us that this is the challenge.

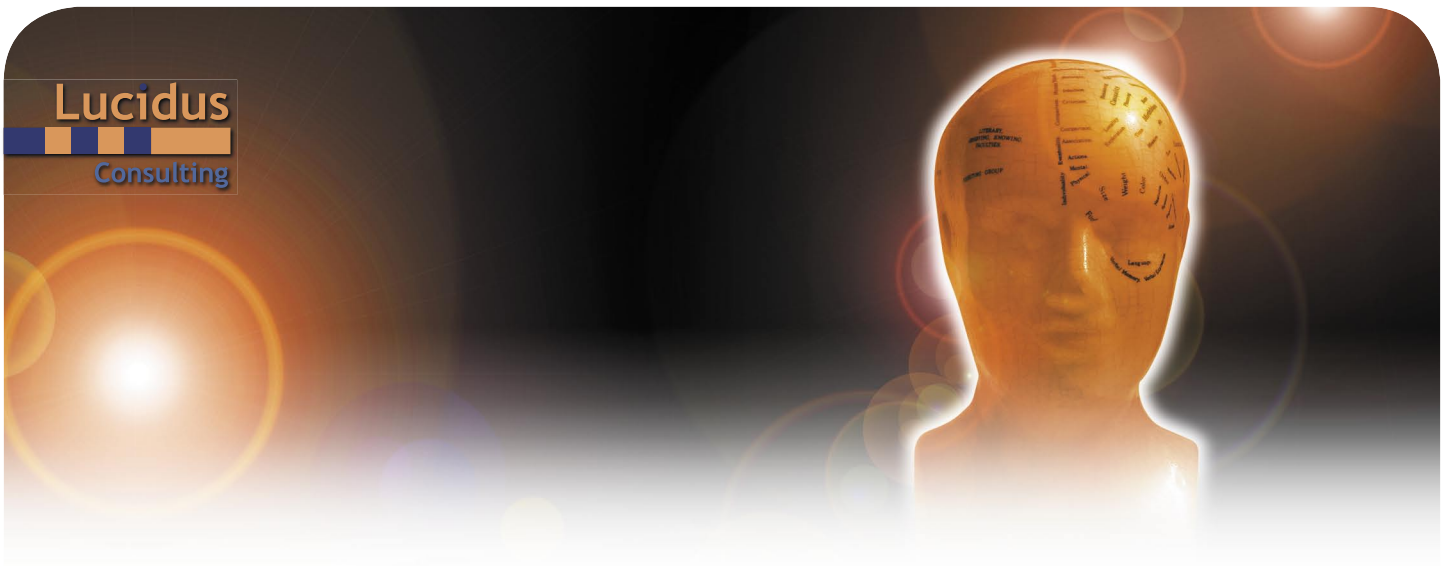
So what behaviours do project leaders need to demonstrate to build a culture for risk management?

Sponsors

- *Talk to stakeholders about their perception of the project, the things they are assuming will happen, the things that may have a negative effect on objectives and the things that could make the project even better.*
- *Document these risks in a risk register during the preparation of the Business Case, and as a result show it is important to the Project Manager and project team by doing it yourself.*
- *Expect there to be many threats so support the identification of them, it isn't negative, it's sensible.*
- *Never 'shoot the messenger'. If your Project Manager identifies risks (threats) that they cannot resolve then thank them and don't make them feel foolish or else they will be afraid to do the same in the future.*

Project Managers

- *Make risk management a 'daily exercise'. Use the language of risk management in your every day communications with stakeholders*



and your project team. Don't confine risk identification to formal workshops, talk to people about their views and what might happen. Add the uncertainties to the risk register as soon as they are raised.

- *Hold a continual, up to date view of the top five threats and top five opportunities for your project. What circumstances might help you deliver a quality product earlier or cheaper? What circumstances are the show-stoppers in terms of threats to the stated success criteria?*
- *Monitor progress with risk response strategies with the risk owners on a regular basis. Show it matters by your words and your actions.*
- *Ensure that your risk responses are built into your project schedule. Failing to do this will almost certainly mean that the extra work will not be done and nothing will change.*

And for everyone - learn. Analyse project issues and change requests. Find out the causes as well as evaluating impacts and putting in solutions. **Today's issue or change was yesterday's risk.** Find a way of building that knowledge into the organisation's capability.

Manage the risk, manage the project. If you believe it then look to your daily behaviour and think about what YOU might do differently to make the nice words a reality.

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