



THREE TENSES OF RISK IDENTIFICATION: PAST, PRESENT AND FUTURE

© November 2006, Dr David Hillson PMP FAPM

david@risk-doctor.com

***Yesterday is history; Tomorrow is mystery;
Today is a gift – that's why we call it "the present"***

A risk cannot be managed unless it is first identified, and the purpose of risk identification is to identify all knowable risks. A range of techniques are available for identifying risks, and people often wonder which one is the best. Should we interview all stakeholders, or hold a workshop, or perhaps review a prompt list or distribute a risk questionnaire?

Risk identification techniques fall into three categories, which have different time perspectives – past, present and future.

1. *Historical review.* These look at what has already happened in the past, either during this situation, or in others which are comparable. They rely on careful selection of reference points to ensure that they are genuinely similar, and intelligent filtering of data to ensure that only relevant previous risks are considered. In each case, historical review methods ask whether risks which were identified before might arise this time.
2. *Current assessments.* These techniques require detailed consideration of the current situation, analysing its characteristics against given frameworks and models in order to expose areas of uncertainty. Unlike historical review approaches, current assessment techniques do not rely on outside reference points, but are based purely on examination of what exists today.
3. *Creativity techniques.* There are many risk identification approaches which encourage people to use their imagination to find possible risks which might affect future achievement of objectives. These techniques depend on the ability of stakeholders to think creatively, either individually or in groups, and their success is often enhanced by use of a skilled facilitator.

Each type of risk identification technique has strengths and weaknesses, and no single technique can be expected to reveal all knowable risks. Historical review techniques depend on how relevant previous experience is to the existing situation. Current assessment techniques rely on the quality of the diagnostic process and how well people really understand what is going on. The success of creativity techniques is driven by the ability of participants to imagine the future.

As a result the best solution for risk identification is to use a combination of techniques, perhaps selecting one of each type: past, present and future. For example it may be best to use a risk identification checklist (historical review), together with assumptions analysis (current assessment) and brainstorming (creativity). It is also good practice to involve different stakeholders in identifying risks, preferably in groups, as they are likely to see things from a variety of perspectives. An organisation which relies on a single point of view or only uses one type of risk identification technique is likely to miss important risks, leaving it exposed to threats that could have been avoided, and resulting in missed opportunities. Multiple perspectives offer a broader view of risks that might have an impact, leading to more effective risk identification.