

**How does Goldilocks find out
about the bears?**

**Risk processes and techniques:
what practitioners are using**

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What is this thing called risk?

Origins of risk

Definitions from academic literature

- Probabilities & expected values
- Events/consequences & uncertainties

Definitions from standards, codes and guidance documents

- ISO31000, COSO ERM, PMBoK, IRGC, FAO/WHO/WOAH

Risk is the “effect of uncertainty on objectives”

- Takes account of uncertainty in
 - Consequences
 - Likelihood/probability of consequences

Agree definition with decision-makers before starting

What is this thing called risk assessment?

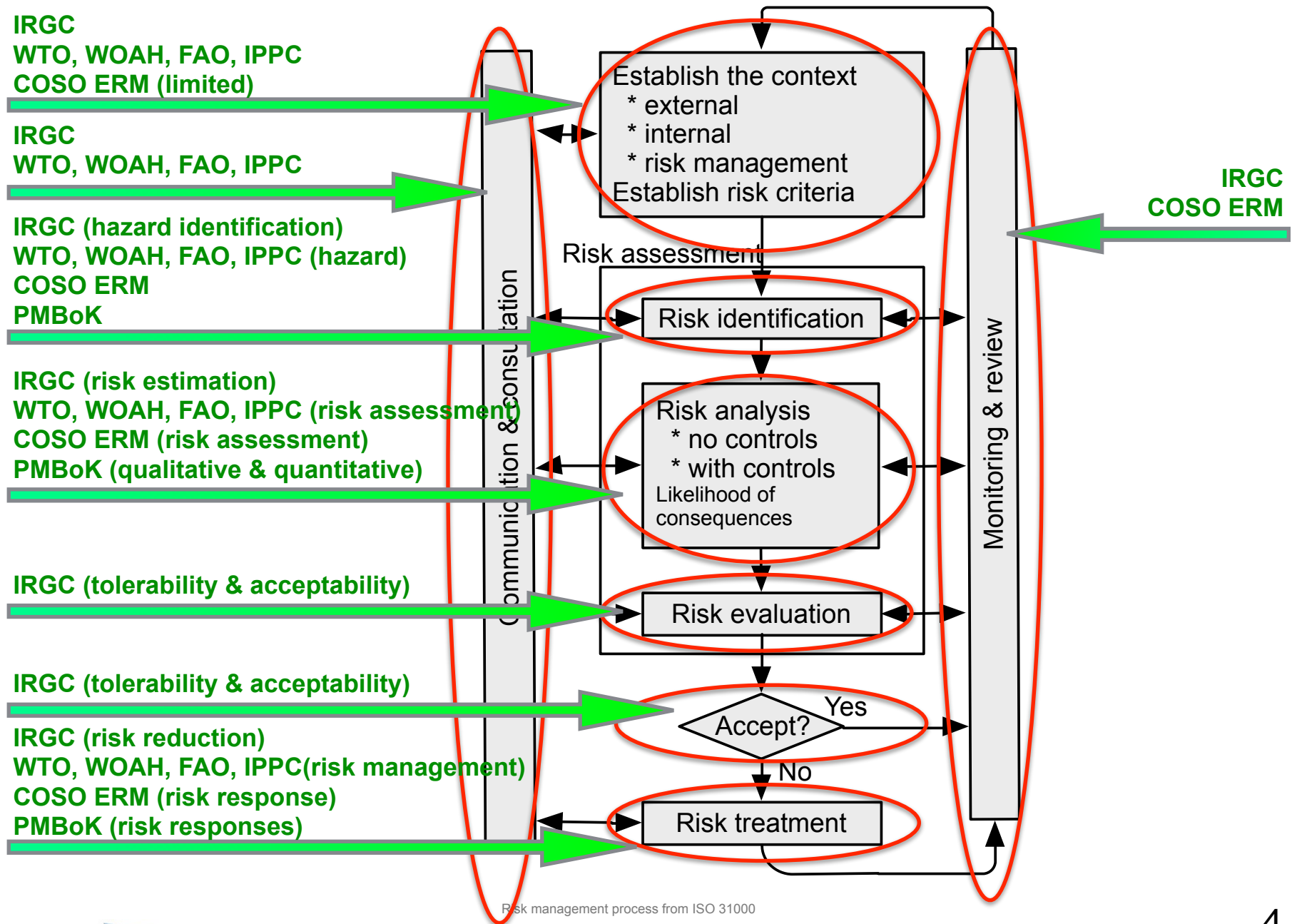
Sources

- Academic are idiosyncratic!
- ISO31000, COSO ERM, PMBoK, IRGC, FAO/WHO/WOAH

Definitions - the same problem (but worse)

- ISO31000 is risk identification, analysis and evaluation
- WTO gives two different definitions
- IRGC groups characterisation and tolerability together

Risk management processes



What is an effective risk assessment?

No one set of agreed criteria

Best set structured on ISO31000 covers:

- **planning the risk assessment**
- **establish the context, develop criteria**
- **communication and consultation (continuous)**
- **risk identification**
- **risk analysis**
- **risk evaluation**
- **risk treatment (many options)**
- **monitoring and review**

Survey - processes and techniques

Dominant risk techniques

- professional judgement
 - context, C&C, identify, analyse, evaluate, treatments
- 5x5 matrix
 - qualitative and quantitative
 - but the research evidence ... (see my website)
- uncertainty included
 - frequently 29%
 - always 27%
 - occasionally 26%

Risk management processes

- in-house and ISO31000 dominate

Summary and conclusions

Risk assessors, decision-makers and stakeholders don't speak the same language

Overlaps and under-laps?

The “evaporating cloud” to achieve harmony?



Next steps

Analyse survey data

Four case studies

- one to date shows poor process and poor outcome

	Good outcome	Poor outcome
Good process	Good risk management	Bad luck
Poor process	Good luck	Poor risk management

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And the ending for Goldilocks?

Escape?

New best friends?

Or, eaten by the bears!

**How much did she understand
about the ~~bears~~ risks?**

