



performance in uncertainty

Rethinking risk management strategies for complex projects and programs

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Important:

This presentation is provided as a guide to understanding the essential elements of the topic ***“Rethinking risk management strategies for complex projects and programs”***.

It is not intended to provide expert advice that might be required to develop a detailed response to a specific situation. Such expert advice should be based on a detailed assessment of your organisation or project and should be obtained from a suitably qualified consultant for the purpose.

Why do we take a 'different' approach?

What do we do that's different?

What does this achieve?

Case studies

because the evidence says that we need to do something different

Many project, organisations and endeavours fail even when they try hard to apply traditional risk management methods.

It is common for risk management to be treated as a separate activity, not our real work. This is telling us something.

There are some obvious ways in which traditional risk management thinking lets us down.

Systems thinking approaches to the management of complex organisations and project are essential.

Why do we take a different approach?



To better match the real world faced by leaders

- Assumption 1.** Risk management is a means to an end. The underlying objective is to make good decisions in the face of complexity and uncertainty.
- Assumption 2.** Culturally, most people understand the word 'risk' as negative.
- Assumption 3.** The aim of every leader should be to achieve the best possible outcomes to purpose.
- Assumption 4.** The risks that impact most powerfully upon the success of organisations are often complex, intangible, interrelated and even 'wicked'.
- Assumption 5.** Many important risks are too sensitive to be dealt with openly.
- Assumption 6.** Every organisation faces important risks that are not in its risk register.



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What do we do that's different?

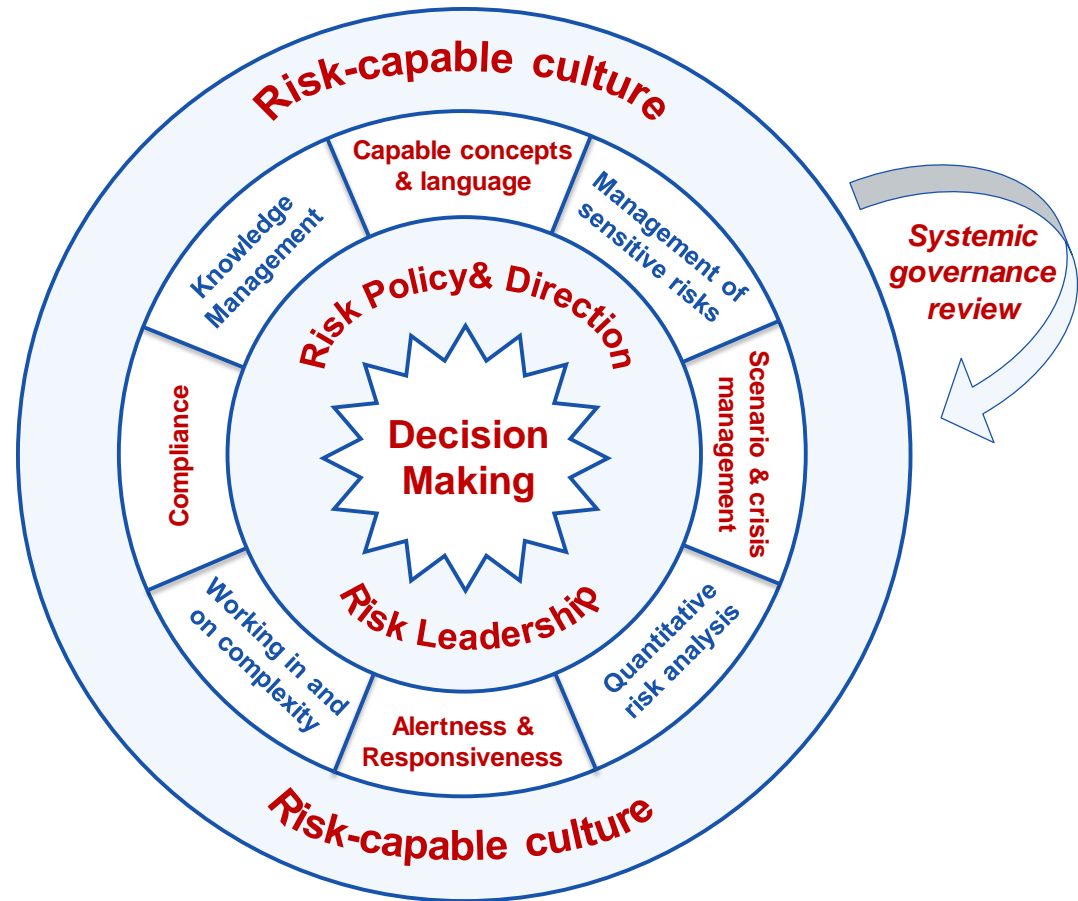
***“anything that might limit our ability
to get the best possible outcomes
for the project purpose”***

The Risk Leadership Framework



*The RiskIQ
Risk Leadership Framework
is a unique thinking framework
with a focus on effective
decision making in uncertainty.*

*The capability to find,
understand and deal with risk is
embedded within core business
systems, not a separate risk
management process.*

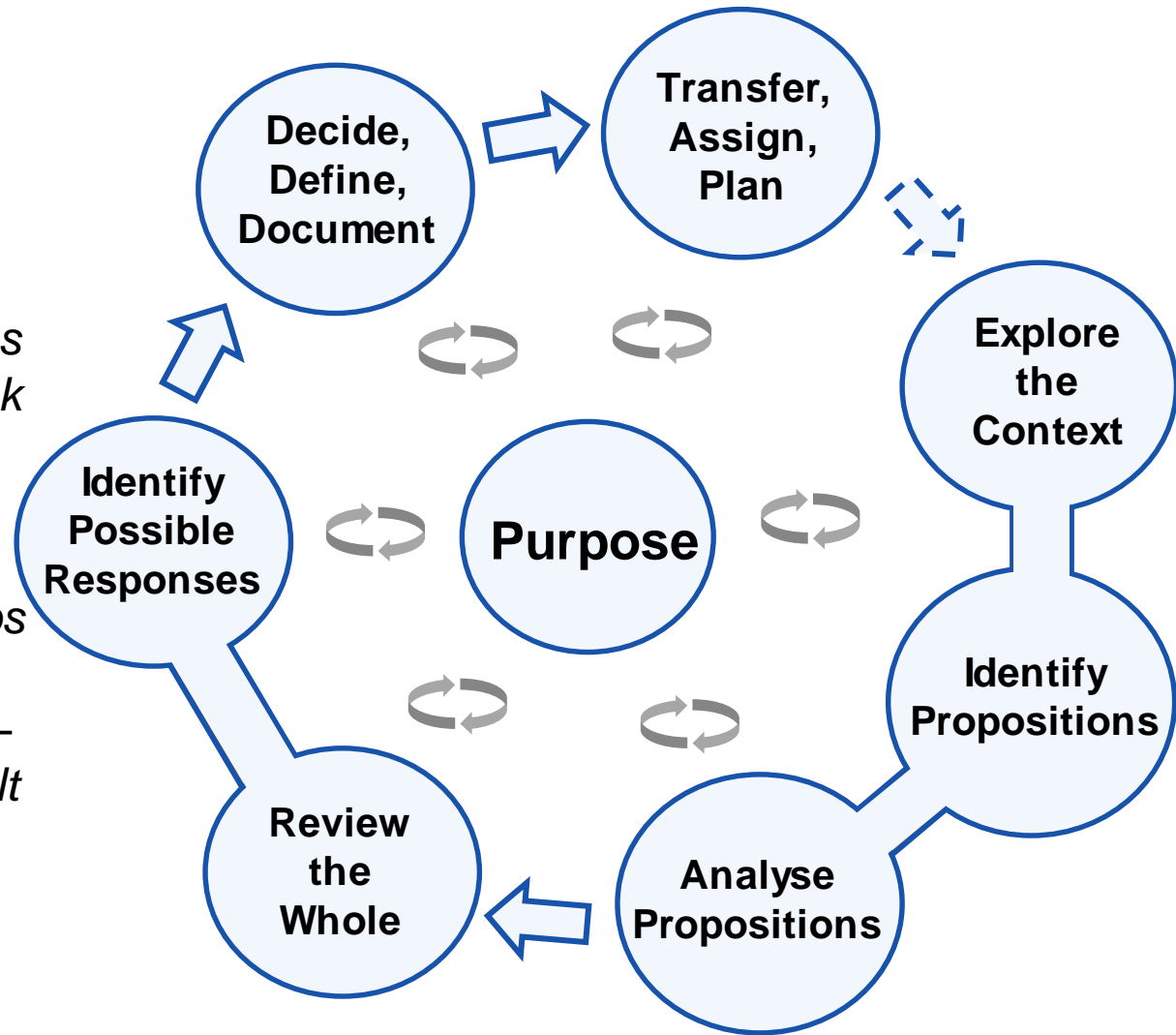


Enhanced Risk Management Process

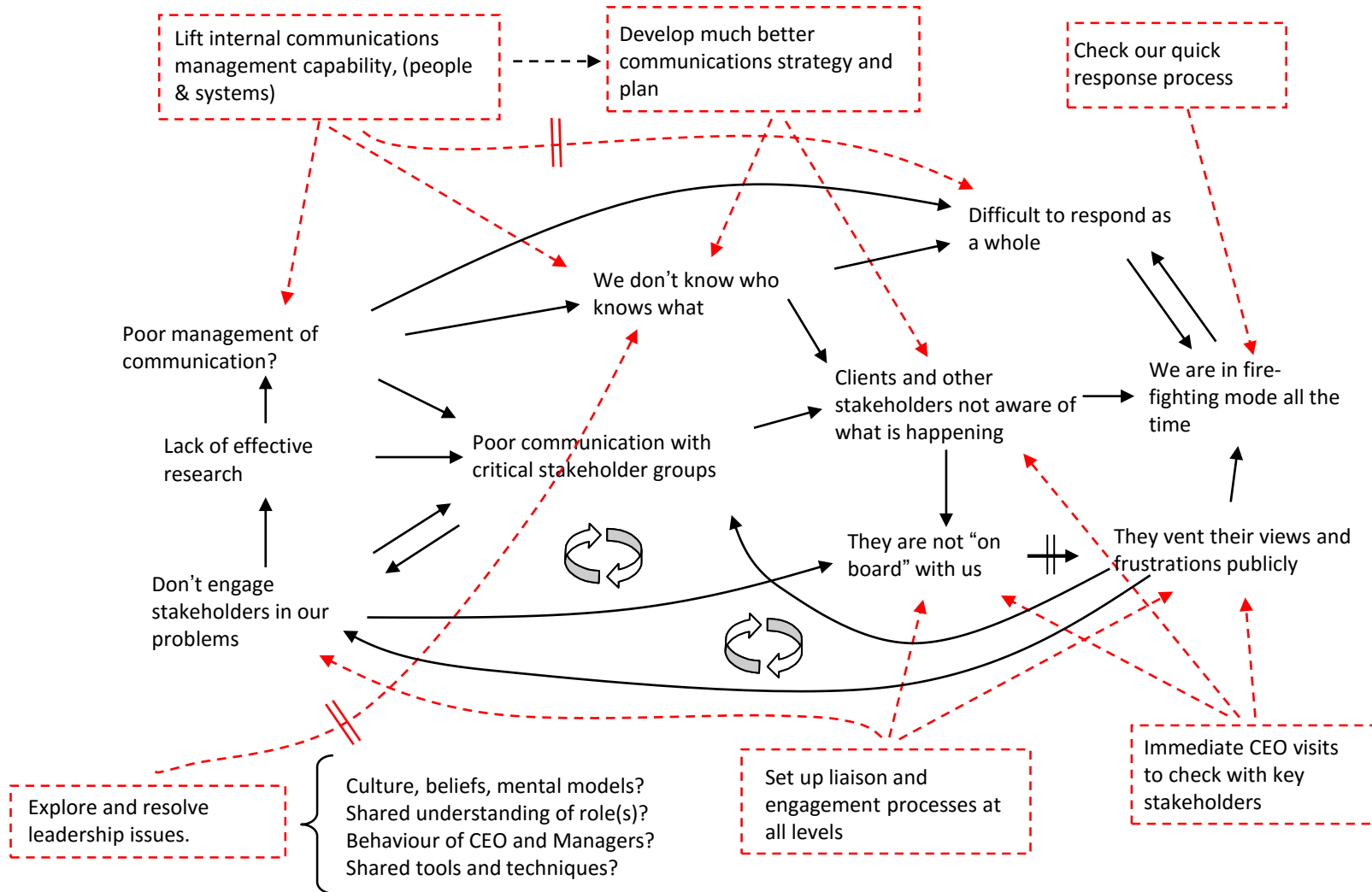


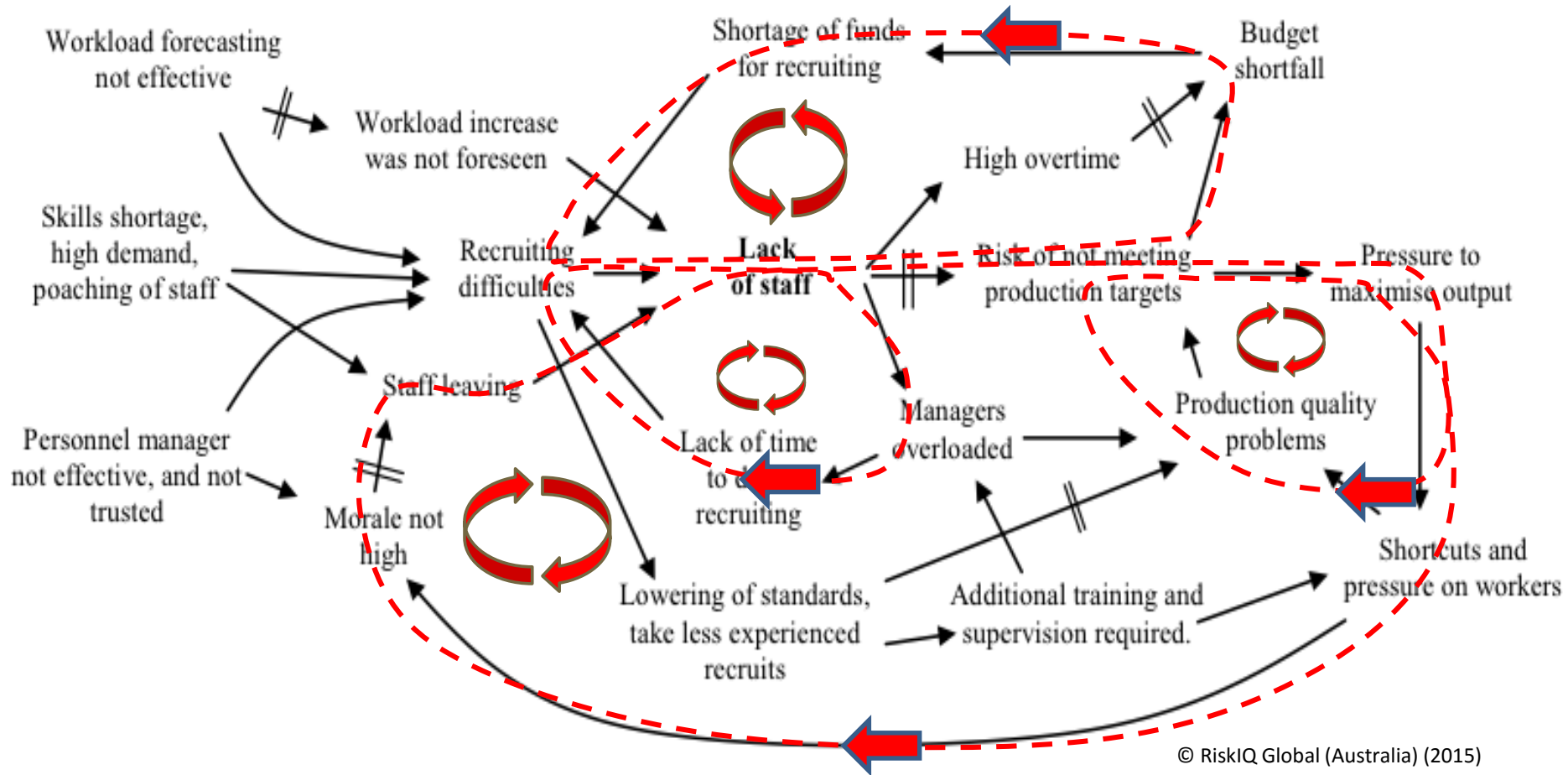
*RiskIQ's **Enhanced Risk Management Process** bridges the gap between traditional risk management processes and systems thinking.*

It provides practical, clear steps for leaders to apply when dealing with risks of all kinds – including those that are difficult to understand or deal with.



Risk maps





	Risk	
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[illegible]

Risk treatments patterns analysis



RISK TREATMENT PATTERN ANALYSIS																			Name: NAHC	
Basis of Filters Used: Evolving																			Date: 17-Aug-15	
		Pattern Filters																		
Risk No	Treatments	Stakeholder engagement	Integrated Business Systems	Change Mgt	Leg. update	Ext Dir	Ext Educ	Del Mgt	Lift L'ship	Focus on Perf	Strategy Policy Direction	Strat Impl	Quality mgt	Wkfce Plang	Impr Recr	Int Educ & Trg	ROE Defn etc	Comm		
	TOTAL	2	10	1	2	2	1		7	5	7	8	6	2	1	1	1	1		
1	Focus on "stakeholder engagement" capability	1	1																	
1	Put more resources into driving adaptation/ change both to legislation & internally			1	1															
1	Update guidelines more often					1														
2	Update guidelines more often					1														
2	Increased emphasis on education etc	1					1													
2	Increase the resources involved in monitoring and changing legislation				1															
3	Education/training in organisational leadership								1											
3	Apply a few key leadership disciplines		1						1											
3	Focus on better performance leadership								1	1										
4	Develop and implement a clear strategy to manage the balance between short and long term										1	1								
4	Reflect the balance in KPI (and monitor)									1	1	1								

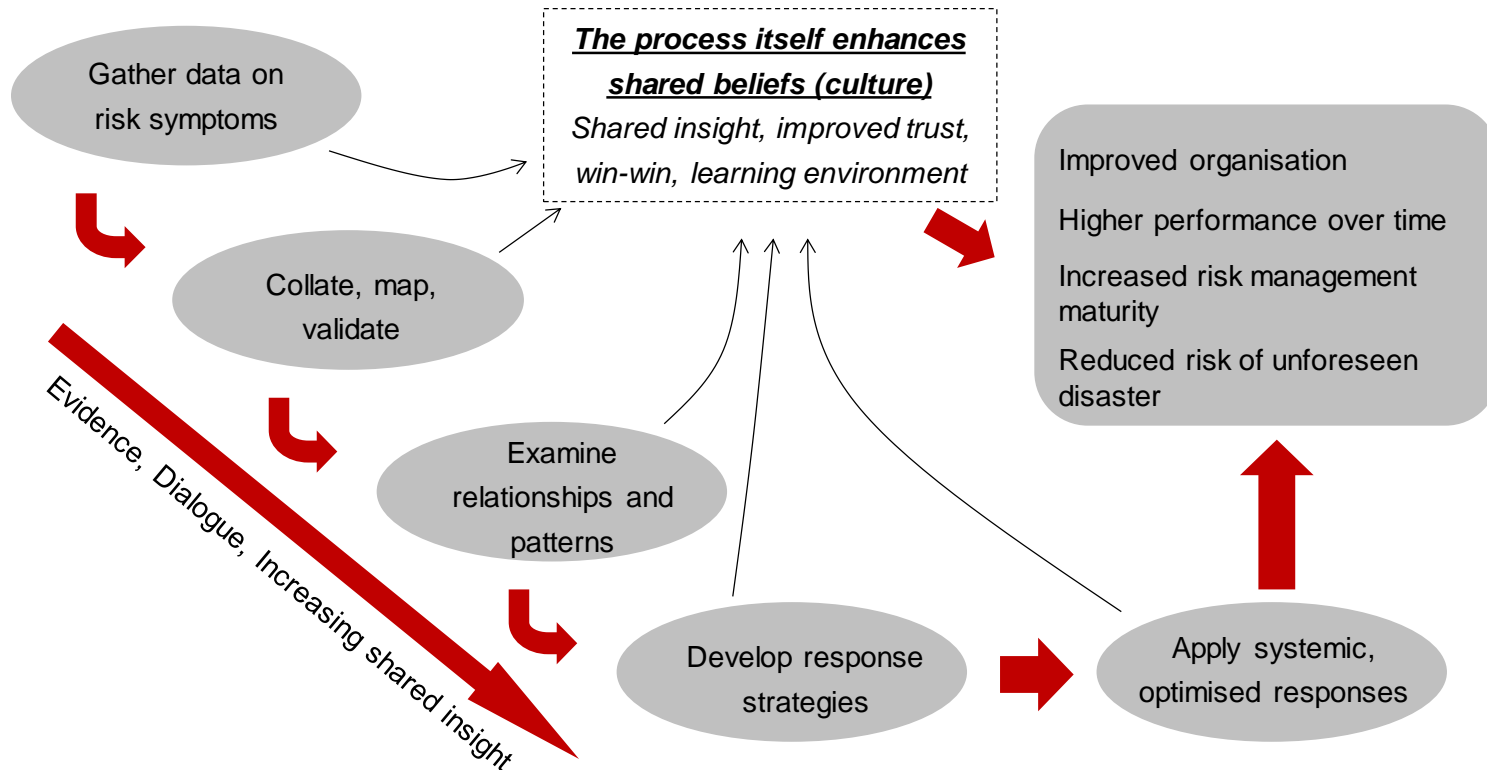
Four themes emerge:

- Integrated business systems
- Leadership disciplines
- Clear strategic context/direction
- Quality and performance management

Four themes emerge:

Integrated business systems
Leadership disciplines
Clear strategic context/direction
Quality and performance management

Systemic Risk Analysis



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*RiskIQ's **Systemic Risk Analysis** supports the work of leaders by finding, describing and showing how to resolve root causes of risk including risks that would otherwise be complex or hidden. It also provides a first-principles health check of governance systems and processes.*

What does all this achieve?



Deal with complexity – not symptoms.

Focus on best possible risk responses as a whole.

Risk conversations are richer, more whole.

Find hidden, subtle risks – and best points of leverage.

Change mindsets from threat management to best possible performance.

Less “risk management system” and less red tape

We also:



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1. work upfront to understand vulnerabilities
 2. work using raw risk data whenever possible
 3. represent and report risks and responses in new ways
 4. focus on the quality of decision making processes
 6. tackle the problem of sensitive risks
 7. build risk management capability into business systems
 8. develop risk policy as core element of strategic risk work



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Case Studies

High risk, complex environment. A history of isolated, major risk management failures.

Implementation of systems thinking approaches to leadership and organisation.

Frustration with partial, incomplete risk strategic risk work.

Adopted the “Risk Leadership Framework” approach in 2015.

Department of Conservation PIU Profile

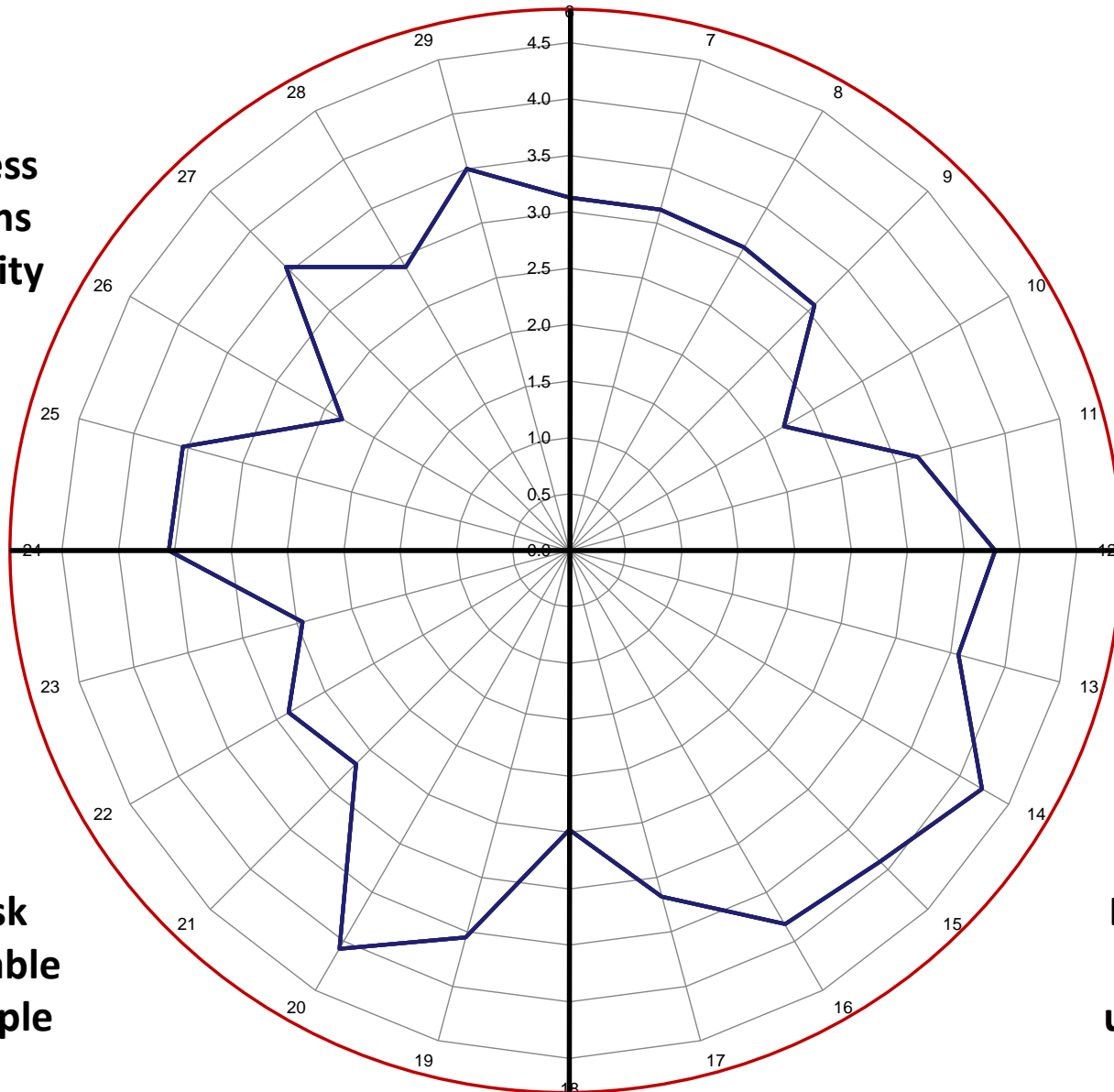


**Business
systems
flexibility**

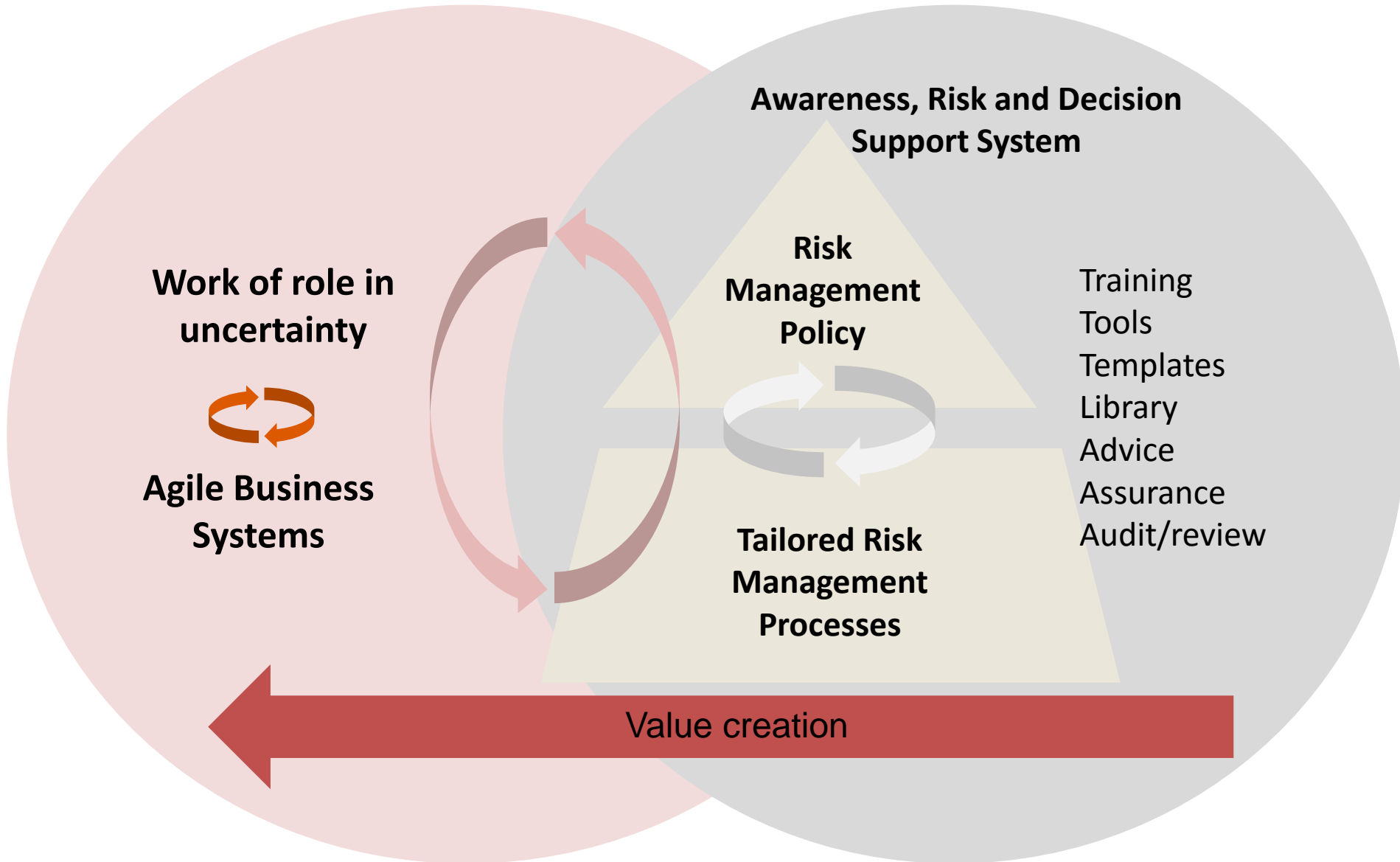
**Support
to
decision
making**

**Risk
capable
people**

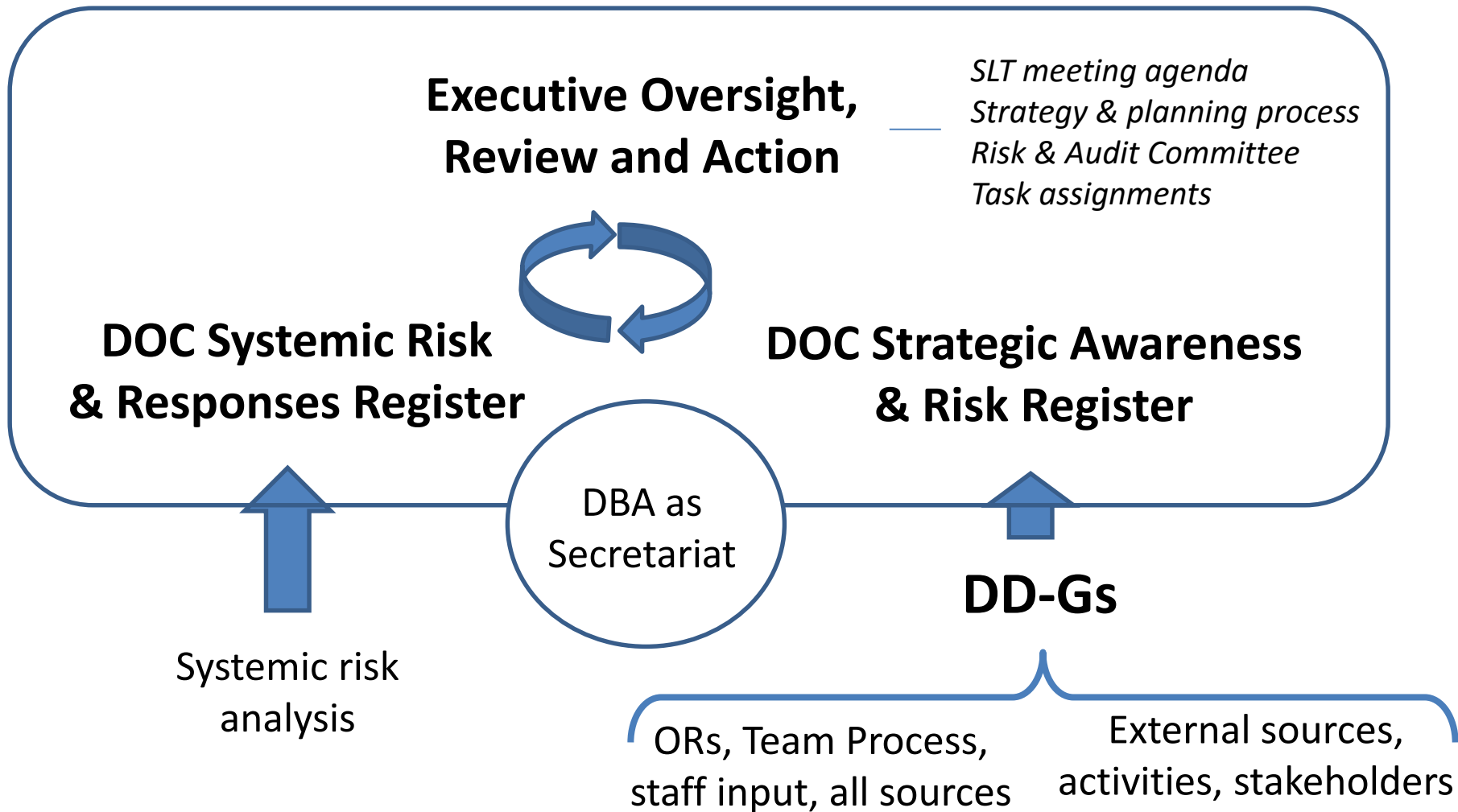
**Leadership
in
uncertainty**



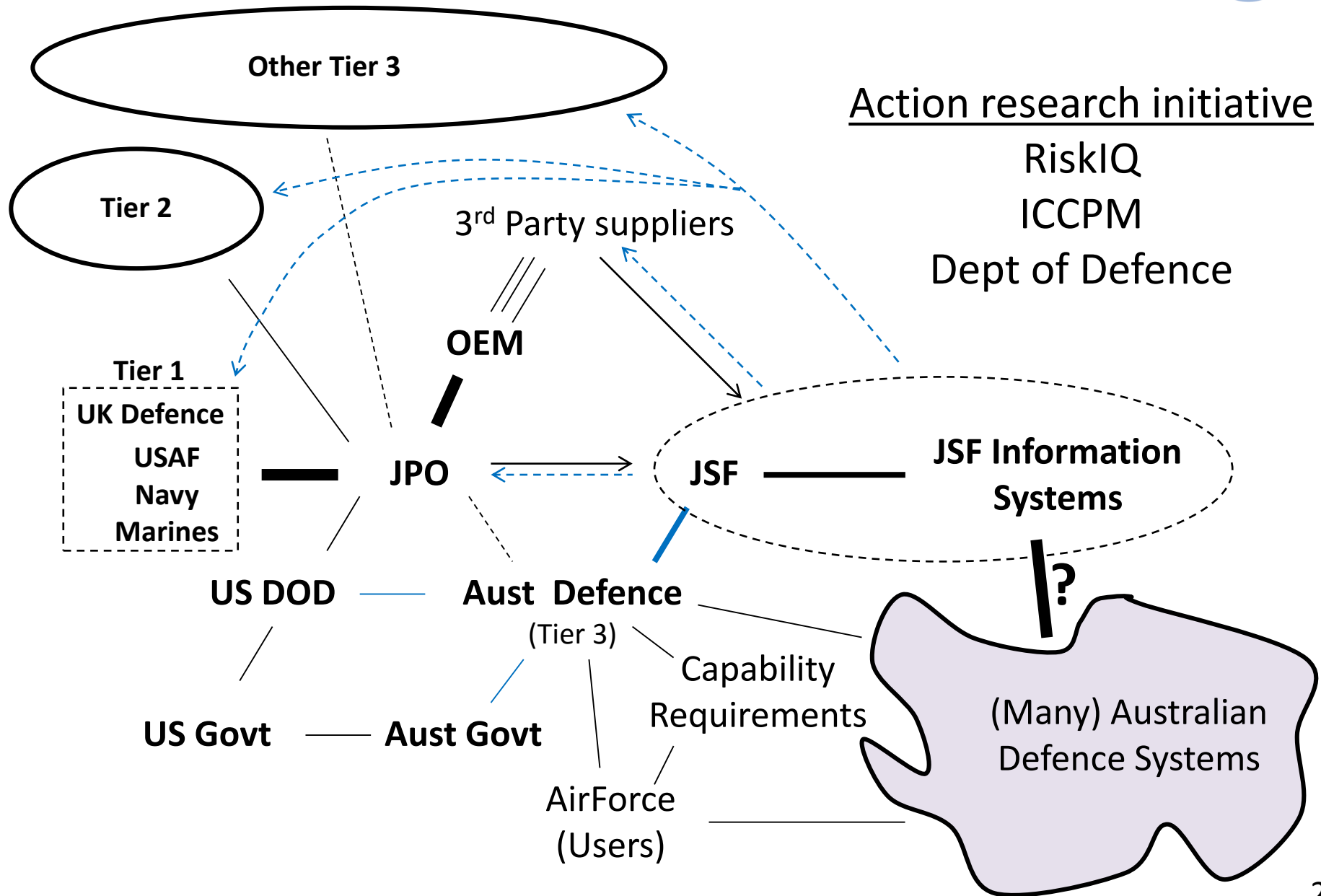
Awareness & Risk Management in DOC



DOC Strategic Awareness System



Joint Strike Fighter Program





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Discussion