

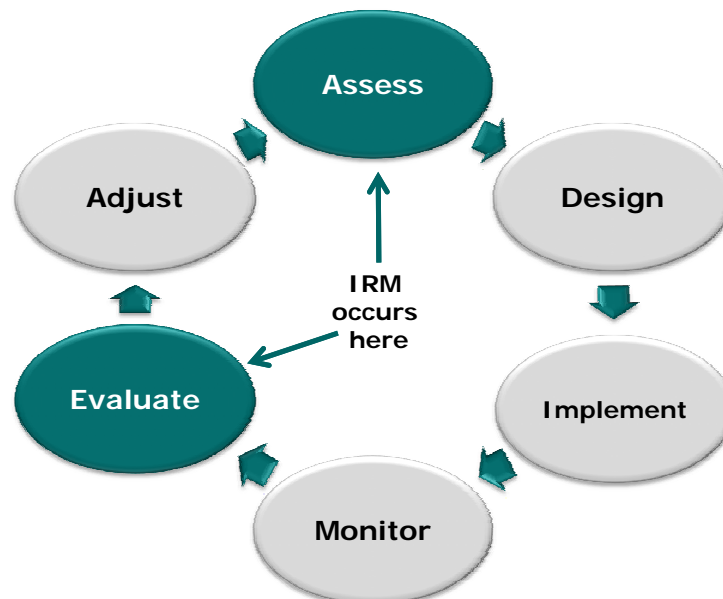
ONE APPROACH TO HOLDING SUCCESSFUL INTEGRATED RISK MANAGEMENT WORKSHOPS

EXECUTIVE WORKSHOP: IMPLEMENTING RISK MANAGEMENT IN 2008

Friday May 9th,
John Lark
Risk Practice Manager
Stratos Inc.
jlark@stratos-sts.com
613 241 1001



Where Integrated Risk Management Fits In



What they are

- An “expert Committee”
- “The Wisdom of Crowds”
- Self Assessment
- Ask the people who know
- Reality Check
- First things First
- Looking across the organization
- The end of “the best PowerPoint”

What they accomplish

- Engagement of working staff in the process and in the results of the process
- Get managers and “deliverers” and policy makers to talk
- Get “pitchers” and “catchers” to understand one another's worlds
- And their actual tolerance for risk
- They produce reliable and repeatable results that the participants understand and support

How do they work?

- Prepare, prepare, prepare
- Use anonymous voting technology
- Open with validation and engagement
- Confirm
 - Objective
 - Of their work
 - Of the workshop
- Activities Universe
- Risk Universe
- Timing (arrival, departure, meals)

Before the workshop

- Always provide as much background as you can
 - Risk Profiles
 - Activity Universe
 - Objective of the workshop
 - A contact for participants to get clarification from
 - Identify who “authorized” establishing the workshop
 - “placemats” of information needed for the workshop

Details

- Duration
 - Between 1 and 2 days
- Size
 - No less than 6
 - No more than 18
- Composition
 - Staff from all levels, including those who:
 - Deliver the work (Pitchers)
 - Direct the work
 - Plan the work
 - Rely on the results of the work (may include the public) (Catchers)

Keeping Focussed

- With activities, risks, likelihood and impact all sloshing around at the same time, people can easily get confused
- You need an excellent facilitator
- Other Strategies
 - Place Mats
 - Red are criteria, Blue is program elements
 - Two Data Projectors
 - One for votes, one for whatever is being discussed

Who Should Attend

- 10 to 20 people
 - At least half "deliver" → { 1, 2, 3, 4, 5, 6, 7, 8, 9 }
 - The line manager → 10
 - The client for the work → 11
 - One or two key "enablers" → { 12, 13, 14 }
 - The line manager's manager
 - For the opening and closing of the workshop → 15
- 16
17
18
19
20

Sample Risk Information Sheet

There is a risk that . . .

Statement of the risk event that, if it materializes, can negatively affect the achievement of enterprise objectives

Risk Drivers

- Identifies possible sources of the risk event, such as environmental factors or management framework weaknesses

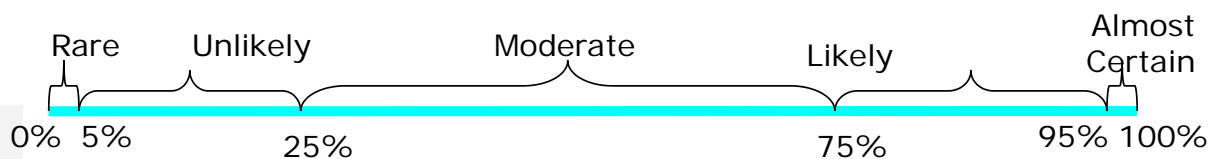
Current Risk Mitigation

- Identifies examples of current actions, processes, controls, etc., that reduce likelihood of risk occurring, or severity if it were to occur

Possible Consequences

- Describes possible impacts if the risk were to fully express

Choose Criteria For Rating Risk Likelihood



Likelihood	% Probability	Experience/Observed Frequency
5. Almost Certain	More than 95%	Occurs regularly here.
4. Likely	76 – 95%	Has occurred here more than once, or is occurring to others in similar circumstances.
3. Moderate	25 – 75%	Has occurred here before, or has been observed in similar circumstances.
2. Unlikely	5 – 24%	Has occurred infrequently before to others in similar circumstances, but not here.
1. Rare	Less than 5%	Almost never observed - may occur only in exceptional circumstances.

Choose Impact Criteria

Impact Level	Definition
5 Critical	A critical event having an intolerable impact on the entity and that will require the entity to make a large scale, long term realignment of its operations, objectives or finances.
4 Major	A major event having significant impact on the entity, the consequences of which can be absorbed, but with proper management can be addressed by the entity.
3 Moderate	An event having a significant impact that can be managed by the entity. The consequences could mean that an activity could be subject to review or changed ways of operation.
2 Minor	An event having an impact, the consequences of which can be absorbed but management effort is required to minimize the impact.
1 Low	An event, the consequences of which can be absorbed through normal activity.

Risk Treatment

After Risk Treatment

Initial Risk Level

