Practical Organizational Risk

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Assumptions – Any Changes?

• You have a lot on your plate…
• There is only one of you…
• You have this nagging feeling you left the coffeemaker on…
• There might be a better way…
What We’ve Previously Covered

• Risk is Expensive!
• People tend to resist change
• It takes Leadership
• This is a Relationship Business
• Trust is Kind of Important…
Solving Problems

- Organizational Goals
- Pain Points
- Operational Pressures
- Risk Tolerance
- Assessing Risk
- Managing Risk
Risks To Businesses

- Financial Risk
  - Inadequate Controls
  - Recession
  - Currency Fluctuations
  - Interest Rate Changes

- Strategic Risk
  - Culture
  - Planning
  - Competition
  - Regulatory Changes

- Hazard Risk
  - Building Damage
  - Vehicle Crash/Injury
  - Disease
  - Weather

- Operational Risk
  - Management
  - Operations
  - Personnel
  - Technology
Risk Management Process

Communicate & Consult

Establish the Context → Identify Risk → Analyze Risk → Evaluate Risk → Treat the Risk

Monitor & Review

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RISK ASSESSMENT TECHNIQUES

1. **Questionnaires & Checklists**
2. **Workshops & Brainstorming**
   - Objectives
   - Stakeholder Expectations
   - Key Dependencies
3. **Inspections & Audits**
   - Physical
   - Financial Statements
   - Contracts
   - Flow Charts
   - Legal/Regulations
4. **Flow Charts & Dependency Analysis**
   - Processes & Operations
   - Id KSF & Critical Components
5. **HAZOP & FMEA**
   - Hazard and Operability Studies
   - Failure Modes Effect Analysis
     - Quantitative Technical Failure Analysis
6. **SWOT & PESTLE Analyses**
   - Strengths, Weaknesses, Opportunities, Threats
   - Political, Economic, Social, Technological, Legal, Environmental
Risk Assessment

Analysis Procedures

Machinery
- Unit Age
- Maintenance Capabilities

Methods
- Onboarding
- Incorrect Criteria

Manpower
- Selection Criteria
- Competitive Pressure
- Trainer Skills
- Poor Training

Management
- Operational Errors
- Short Term Focus

Environment
- Legal Pressures
- Roadside Performance

Materials
- Incorrect CBA

Problem
- Losing Business to competition
7 Elements of Successful Safety & RM Programs

- Engaged, Supportive Leadership
- Risk Management Program Administration
- Engineering Controls
- Workforce Selection/Development/Retention
- Training
- Hazard Control Techniques
- Regulatory Compliance
The Cycle of Change

- Random Incidents
- Waning Activity
- Integration
- Implementation
- Initial Actions
- Recognition

Resistance!
Practice, Practice, Practice

- Begin with the end in mind – assess the risks to your organizational goals
- What gets measured - gets done. Determine appropriate accountability measures
- Develop an intolerance to poor performance.
- Over-communicate consistently.
- Leaders must model the behavior.
- Manage Change.
How Do You Define Success?

• Have you identified what you are trying to accomplish?
• Have you defined Organizational Excellence?
• Are you willing to do what it takes?
• Is “Good Enough” really?
• What prevents you from practicing Leadership?
• What are you waiting for?
Questions?

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