



RISK DOCTOR BRIEFING



WHEN WILL WE EVER LEARN?

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Spanish satirist Jorge Santayana wrote in 1905 “*Those who cannot remember the past are condemned to repeat it.*” His sentiments echo those of the 18th-century German philosopher Friedrich Hegel who reminded us that “*The only thing we learn from history is that we learn nothing from history!*”

These comments about history apply equally to the world of risk management. It is very common to hear a senior manager or project team complaining that “*The same risk keeps happening all the time.*” The first time I heard someone say that I reacted instinctively and told them that I considered it very unprofessional for them to allow the same risk to keep happening. My view is summed up in this Risk Doctor proverb:

*“If a risk happens **once**, that’s **understandable**;
If the same risk happens **twice**, that’s **unlucky**;
If the same risk happens **three times**, that’s **unacceptable.**”*

Of course it is in the nature of risk to be uncertain, and sometimes risks occur even to the best risk manager. So we can understand it if a risk may occasionally occur, despite implementation of a full range of risk management efforts. And if the same risk should happen a second time in the same circumstances, then that might just be a result of bad luck and not necessarily due to bad management. But if a risk occurs a third time then something is wrong. Perhaps there is a systemic weakness that exposes the organisation or project to the same risk repeatedly. Or maybe the individuals and team have a blind spot where they consistently fail to see a particular risk. Or a routine procedure or process may be flawed and produce the same risk every time it is executed.

This saying applies particularly to negative risks (also called threats), where it is a bad thing if they happen. However the same idea is also true for positive risks or opportunities, where it is understandable if a single specific opportunity is missed, but we should not allow that to be repeated. In this case the phrase “*risk happens*” in the proverb should be replaced with “*opportunity is missed*”.

The tendency of people, projects and businesses to repeat their mistakes, either by letting the same threats happen repeatedly or by constantly missing the same opportunities, needs to be tackled. We need to become learning organisations and individuals, being aware of what is happening around us, and seeking to learn lessons in order to improve for the future. This is particularly true when it comes to risks, since these are future events which have not happened, and which may never happen. This gives us a chance to address them proactively. The future nature of risks creates management space in which we can act to change the future.

One final point is important when considering the claim that risks often occur repeatedly. We should challenge anyone who says that “*The same risk keeps happening all the time.*” If we identify an event or set of circumstances that always occurs on every project or which happens every time we encounter the same situation, then we need to question whether this is in fact a risk at all. All risks are uncertain, which means that they may or may not happen. If it is not uncertain then it is not a risk. Events or conditions that always occur should be treated as facts and our standard operating procedures should take them into account. We should not be surprised by something which “*always happens*” and we should be ready to deal with it, building a response into our baseline plan, learning from previous similar experiences, and being prepared to tackle repeated threats or capture recurring opportunities.