

Get the frogs off the log

by Dr David Hillson, director, Risk Doctor & Partners

In the latest article in the Risk Doctor series, David Hillson issues a call to action. It's easy; all you have to do is to get the frogs off the log.

Which is the most difficult step in the risk management process? Where do most businesses and projects fail to gain the benefits of their attempts to manage risk proactively? If your organisation is typical, there's one particular step where it all seems to go wrong, and the risk management process becomes just another frustrating hoop to jump through, with no tangible benefits.

So, is it the initial **risk management planning** step, defining project objectives and setting the context and scope for the risk process? Although many make the mistake of trying to start identifying risks without first defining their objectives, this initiation step is not inherently difficult to do.

Once objectives are agreed and specified, there are many well-tried techniques for **risk identification**, and most projects seem well able to list a number of uncertainties that could affect achievement their objectives. Of course, it's vital to ensure that risk identification identifies risks, and not related non-risks (eg, causes, effects, problems or issues), but this step is usually OK.

Prioritising risks using **qualitative assessment** techniques to estimate probability and impact is easy, as long as terms are defined and agreed in advance, and thresholds are set to determine which risks are significant. **Quantitative analysis** using simulation techniques such as Monte Carlo analysis may seem technically difficult to the non-expert, but these methods are not required for every project, and where they are needed then there are good user-friendly risk analysis tools to help in the analysis.

How about **risk response planning**, where strategies are selected to address each identified risk in a way that will be appropriate, affordable and achievable, and actions are developed and agreed to implement those strategies? Is this the hardest step in the risk process? Again, given a structured approach to response development, this shouldn't pose too many problems, if the risks are well understood.

What comes next, after response planning? Is the risk process complete when responses have

been agreed? This is the point where **analysis** needs to be turned into **action** if the risk process is to influence the risk exposure of the project. The process so far has just provided information about the risks facing the project, but identification, assessment, analysis and response planning do not actually affect the risks. Only action can make a difference.

Here's where it goes wrong

And it is precisely at this point where most organisations allow their risk process to falter, without making the vital transition **from plans to actions**. If risk responses are not implemented proactively and effectively, the risk process will be a waste of time, since nothing will change. This dilemma can be illustrated by a well-known riddle:

There are five frogs sitting on a log, and four decide to jump off. So how many frogs are on the log?

Of course, the answer to the riddle is ... **five**. There are still five frogs on the log, because **there's a big difference between deciding and doing!**

And if the risk process ends with risk response planning, with merely deciding what could be done about each risk, but doesn't go on to implement those plans, the frogs are still sat on the log. So how can we **get the frogs off the log?** A few simple steps will ensure that risk responses become more than just wishful thinking or good intentions, and are translated into effective action:

1. Make sure that each risk response has an agreed owner to be responsible and accountable for its execution.
2. Allocate realistic durations, budgets and resources to each agreed risk response.
3. Add agreed risk responses to the project plan as new activities.
4. Monitor each risk response like any other project activity, reviewing and reporting progress etc.

Of course, it is vital to go through the earlier stages of the risk process, to identify risks, assess their significance, plan responses and decide actions. But risk cannot be managed unless 'deciding' is turned into 'doing'. So next time you finish planning how to respond to your risks, remember to go the next step, leap into action, and **get the frogs off the log!**



About the author

Dr David Hillson, PMP, FAPM, FIRM, is an international risk management consultant, and Director of Risk Doctor & Partners (www.risk-doctor.com). He is a popular conference speaker and award-winning author on risk. He is recognised internationally as a leading thinker and practitioner in the risk field, and has made several innovative contributions to improving risk management.

David is an active member of the global Project Management Institute (PMI) and received the PMI Distinguished Contribution Award for his work in developing risk management over many years. He is also a Fellow of the UK Association for Project Management (APM) and a Fellow of the UK Institute of Risk Management (IRM).

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