



**It's that time of year again! Whenever we reach January, most of us make a series of New Year's resolutions, capturing a mixture of good intentions and guilty consciences.**

The top five resolutions include: spend more time with the family, get fit, lose weight, quit smoking, and learn a new skill. Most of these resolutions survive no longer than the Christmas decorations, and get shelved again until the same time the following year.

By the time you read this, it's likely that very few of your New Year's resolutions will remain unbroken. The Risk Doctor would like to prescribe four replacement resolutions, which can truly transform your life, projects and business.

### **Risky Resolution 1: Be more risk-aware**

The world is full of uncertainty, and there are a huge number of threats facing us at every turn, in our personal lives as well as professionally in our projects and business. We might adopt the 'ostrich approach to risk management', sticking our head in the sand and hoping that risk goes away. Of course this doesn't protect us at all, but it just might help us to stay more relaxed in the presence of risk – until it happens! It would be much better to face the fact that risk is everywhere, and adopt a more proactive approach towards it. Why not resolve to be more risk-aware this year?

Risk-awareness isn't a technique; it's a state of mind, being alert to risk all the time, seeking out possible uncertain events that could affect achievement of our objectives. And we mustn't forget to look for opportunities! A lot of the uncertainty that surrounds us could be helpful if only we recognised it in time. Sometimes embracing risk can create additional value, or allow an innovative approach that saves time and money. Proper risk-awareness needs to be double-sided, seeking out both upside and downside risks.

### **Risky Resolution 2: Get integrated**

If they do it at all, too many people do risk management in isolation, often as a bolt-on extra. Usually that's because we're busy doing 'real work', and can't spare the time to think about things that might never happen. Risk

# Risky resolutions

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management becomes a dispensable luxury, something to do 'when I get a round tuit' – and since most people don't own a tuit of any shape, their risks don't get managed. And unmanaged risks lead to avoidable problems and reduced benefits. Instead of viewing risk management as an optional extra, you could resolve this year to integrate it into your normal activities.

Integrating risk management simply means treating it as 'real work', and making sure that it fits with the rest of what you are doing. For example, when working on a project, think about risk when you make your initial estimates, or draw up the project plan and resource profile. Use risk assessment as part of your change control process. Review risks at the regular project review meeting, and include a short risk section in all project reports. Used properly, risk management can inform and improve all aspects of the management of projects. Make your risk management 'built-in, not bolt-on' in order to get the full benefit.

### **Risky Resolution 3: Take sensible risks**

It's neither possible nor desirable to live life without taking risks. If we try to be safe all the time, and not expose ourselves to any uncertainty, we would never do anything. Projects in particular are risky by nature, and there is no such thing as a 'zero-risk project'. Of course we should try to reduce our risk exposure to a level that is acceptable, while not stifling creativity and innovation, but that level is not zero. That means we need to take some risk, and we shouldn't be afraid to admit it. But we should only take the level of risk that is consistent with our objectives and the level of return on offer. That means not acting irresponsibly or without proper consideration. Perhaps this year you should resolve to take more risks, but to do so sensibly?

Sensible risk management means identifying genuine risks, assessing them realistically, and acting appropriately. We should implement proactive responses where these are possible and cost-effective, and accept the residual risks. It means not being paralysed if there is any risk anywhere, but taking risk with our eyes open.

### **Risky Resolution 4: Don't give up**

The risk challenge is never-ending, and risk doesn't go away just because you've held one risk workshop and issued a Risk Register. Risk exposure is dynamic and changes frequently. That's why the risk process is iterative, repeating the cycle of risk identification, assessment, response planning, implementation and review on a regular basis. But sometimes we

lose interest and get bored with doing the same things over again. We're fed up with having to update the Risk Register and think of new risks. We'd rather 'file and forget'. But this is bound to lead to problems – as risk is constantly changing, so our response to it must also stay up to date. We can't do risk management once and think we've finished. We need to resolve to keep going; managing risk is a marathon not a sprint.

A good way to help people persist with risk management is to reduce the administrative and bureaucratic burden as far as possible, making it easy to identify and manage risk. Then we should consider refreshing the risk process, perhaps trying new techniques, revising our report formats, or investing in some training. As the risk challenge evolves, so our approach to tackling it needs to be kept up to date.

**Happy New Year!** So as we step into the new year, there will be many threats and opportunities coming our way, which we need to deal with properly. So why not make four more resolutions, to make your risk management as effective as possible? And if you have trouble remembering these risky resolutions, it might help to think of them like this:

- Risk-aware
- Integrated approach
- Sensible risk-taking
- Keep going

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### **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](http://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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