

Three tenses of risk identification

by Dr David Hillson, director, Risk Doctor & Partners

I recently visited the National Gallery in London and was struck by one painting in particular – Titian's 'Allegory of Prudence'. This shows three faces pointing in different directions: an old man (said to be a self-portrait of Titian) looking to the left; a mature man (possibly Titian's son Orazio) facing front, and a younger man (maybe Titian's cousin and heir, Marco Vecellio) gazing right. Below are the faces of three dogs positioned in the same way and reflecting the ages of the portraits above them.

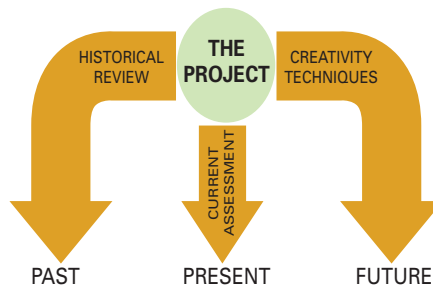
Hidden in the dark background above the faces is a Latin inscription: 'Ex praeterito praesens prudenter agit ni future actione deturpet.' I couldn't resist the challenge of testing my schoolboy Latin, but eventually I needed the gallery's catalogue to help me out. Classically-educated readers will already know what Titian was trying to say: 'From the past, the man of the present acts prudently, so as not to imperil the future.'

This advice is obviously relevant to managing risk, but it can be particularly useful when thinking about how to identify risks in the first place. Like Titian's painting, risk identification techniques can be divided into three categories which have different time perspectives – past, present and future.

1. **Historical review techniques.** These look at what has already happened in the past, either during this situation, or in other situations that are comparable. They rely on careful selection of reference points to ensure that they are genuinely similar, and intelligent filtering of data to ensure that only relevant previous risks are considered. In each case, historical review methods ask whether risks which were identified before might arise this time.
2. **Current assessment techniques.** These involve a detailed consideration of the current situation, analysing its characteristics against given frameworks and models in order to expose areas of uncertainty. Unlike historical review approaches, current assessment techniques do not rely on outside

reference points, but are based purely on examination of what exists today.

3. **Creativity techniques.** There are many risk identification approaches which encourage people to use their imagination to find possible risks which might affect future achievement of objectives. These techniques depend on the ability of stakeholders to think creatively, either individually or in groups, and their success is often enhanced by use of a skilled facilitator.



Each type of risk identification technique has strengths and weaknesses, and no single technique can be expected to reveal all knowable risks. Historical review techniques depend on how relevant previous experience is to the existing situation. Current assessment techniques rely on the quality of the diagnostic process and how well people really understand what is going on. The success of creativity techniques is driven by the ability of participants to imagine the future.

As a result, the best solution for risk identification is to use a combination of techniques, perhaps selecting one of each type: past, present and future. For example it may be best to use a risk identification checklist (historical review), together with assumptions analysis (current assessment) and brainstorming (creativity). It is also a good idea to involve different stakeholders in identifying risks, preferably in groups, as they are likely to see things from a variety of perspectives.

All of which reminded me of another inscription I read once on a greetings

card: 'Yesterday is history; Tomorrow is mystery; Today is a gift – that's why we call it the present.' Effective risk identification makes use of all three time perspectives to give the best possible view of the risks that might affect us going forward into the mysterious and uncertain future.

An organisation, or project, which relies on a single point of view or only uses one type of risk identification technique is likely to miss important risks, leaving it exposed to threats that could have been avoided, and resulting in missed opportunities. Multiple perspectives offer a broader view of risks that might have an impact, leading to more effective risk identification. As Titian might have said, that's the prudent way to manage risk.

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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). 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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