



An uncertain future in the Middle East and the FTSE 100 reaching its lowest since 1995 mean it is time for businesses to assess what risks are relevant to them – not only to be aware of the threats they involve but also to learn what opportunities they might bring.

Risk management expert Dr David Hillson, director of PMProfessional Solutions, said: "Uncertainty poses a clear threat to business, but also contains significant opportunity. Sources of uncertainty must be understood so that these risks can be effectively managed. In the current uncertain business and political climate, now is the right time for businesses to assess the risks".

Faced with an increasingly uncertain world, there are some things every organisation needs to know if they are to survive and succeed. Opposite are David's top ten tips to the "need to know's":

The way to survive – know your business risks



Know your goals

When times are uncertain you need to know where you're heading. This includes strategic vision as well as tactical objectives, both long-term and short-term. Ensure goal congruence and alignment to focus efforts on what matters.

Know your market

Don't assume you know what your customers might want – find out. Market intelligence is vital in identifying trends and opportunities that you can exploit. Reducing market uncertainty prevents wasted effort and optimises effectiveness.

Know your business

Use the techniques of value management to review your processes, products and people, to identify and focus on the winners, and maximise ROI by increasing efficiency.

Know your environment

Be sure you understand the world in which you operate, including political, economic, social, technical, regulatory and legal factors that might affect you. Conduct an environmental scan to identify and challenge constraints.

Know yourself

Assess your organisational culture and attitudes, identify your strengths and weaknesses, and determine your risk appetite and thresholds. These have a significant influence on how you respond to uncertainty.

Know your friends

Create and strengthen partnerships with stakeholders who can provide support and stability in uncertain times, especially with your supply chain and key contractors.

Know your enemies

Understanding the goals and strategies of competitors keeps you focused on your own business. Seek to respond rather than react, setting the pace of competition and keeping one step ahead.

Know your options

Uncertainty always creates alternatives. Conduct a strategic opportunity review to identify possible ways ahead, then select your preferred route, and develop fallback and contingency plans to keep you on track.

Know what you know

Perform a knowledge audit to define the intellectual capital in the organisation, ensuring that lessons are identified and learned from previous experience to reduce the effect of uncertainty on future operations.

Know what you don't know

Scope the uncertainty to define areas of maximum risk, then assess and prioritise both threats and opportunities, taking proactive steps to minimise the downside and maximise upside exposure. Develop a risk-aware culture from boardroom to shop floor, allowing risks to be taken intelligently and safely.

