

Ten Years On – What's Changed?

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The Risk Doctor brand was launched ten years ago, in July 2003, and we've been looking back to see what's changed since then. While there have been definite improvements, some things remain depressingly similar.

Let's look first at the improvements:

- **Scope.** Risk management used to focus only on technical threats to time and cost in major projects. Now we use the risk process to identify opportunities alongside threats. We assess impact against other project objectives as well as schedule and budget. We use a Risk Breakdown Structure (RBS) to consider multiple sources of risk, not just technical risks. Risk management is applied across the business, not just on projects. We are also starting to consider a wide range of uncertainties that might affect outcomes, not just uncertain events.
- **Integration.** This has improved in two ways. We used to keep risk management separate from overall management of the project or the business, but now risk-based decision-making is increasingly common. We've also learned how to manage risk at various levels in the organisation, developing a truly enterprise-wide approach to risk management.
- **Software.** The first Risk Doctor risk register was produced using dBase III, and we did Monte Carlo simulation using paper-tape to control a program running on a water-cooled mainframe! Today's risk tools are cheap, fast and reliable, with powerful functionality and great user interfaces.

Unfortunately however, some things have not changed much from the early days. These unwelcome similarities mostly relate to the culture surrounding risk management in today's project and business environment. Two aspects of this are common:

- **Box-ticking.** It is still common to find project teams and management boards who just go through the motions, "doing risk management" instead of actually managing risk. They follow the risk procedure because it is required by the quality system or by a client contract, but they show no commitment to action and no understanding that managing risk is supposed to add value to the project or support better decision-making in the business. Instead risk management is seen as additional cost, an optional extra, and a necessary evil to be endured and got through as quickly as possible.

- **Experts only.** Senior management still tend to view risk management as a technical function or a specialist discipline for engineers and technicians, safety specialists, or people interested in statistics etc. They don't see how managing risk links to creating value for the business or the project. As a result risk management is treated as something which is performed by risk experts, and it is not viewed as relevant to the overall management of the project or business.

So looking back we can see that considerable progress has been made, but there's still some way to go before risk management is seen to deliver on its full promise as a major contributor to project and business success. Here at Risk Doctor & Partners we'll continue to play our part in spreading best practice as well as developing new thinking and improved approaches. Like everything else about the future, the way that risk management will develop in the coming years remains uncertain. But as risk practitioners we should expect nothing less!

To provide feedback on this Briefing Note, or for more details on how to develop effective risk management, [contact the Risk Doctor \(info@risk-doctor.com\)](mailto:info@risk-doctor.com), or [visit the Risk Doctor website \(www.risk-doctor.com\)](http://www.risk-doctor.com).

About the Author



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Dr David Hillson CMgr FRSA FIRM FCMI HonFAPM PMI-Fellow is The Risk Doctor (www.risk-doctor.com). As an international risk consultant, David is recognised as a leading thinker and expert practitioner in risk management. He consults, writes and speaks widely on the topic and he has made several innovative contributions to the field. David's motto is "Understand profoundly so you can explain simply", ensuring that his work represents both sound thinking and practical application.

David Hillson has over 25 years' experience in risk consulting and he has worked in more than 40 countries, providing support to clients in every major industry sector, including construction, mining, telecommunications, pharmaceutical, financial services, transport, fast-moving consumer goods, energy, IT, defence and government. David's input includes strategic direction to organisations facing major risk challenges, as well as tactical advice on achieving value and competitive advantage from effectively managing risk.

David's contributions to the risk discipline over many years have been recognised by a range of awards, including "Risk Personality of the Year" in 2010-11. He received both the PMI Fellow award and the PMI Distinguished Contribution Award from the Project Management Institute (PMI®) for his work in developing risk management. He is also an Honorary Fellow of the UK Association for Project Management (APM), where he has actively led risk developments for nearly 20 years. David Hillson is an active Fellow of the Institute of Risk Management (IRM), and he was elected a Fellow of the Royal Society of Arts (RSA) to contribute to its Risk Commission. He is also a Chartered Fellow of the Chartered Management Institute (CMI) and a Member of the Institute of Directors (IOD).

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