

BREXIT: THREAT OR OPPORTUNITY?

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The Risk Doctor Partnership

Today marks the start of a new era of uncertainty, following the recent referendum vote by the UK population to leave the European Union (EU). The forthcoming British exit from the EU (so-called “Brexit”) will raise the degree of uncertainty to new high levels in many areas, including politics, trade, international relations, travel, employment, and so on. The result has already produced major volatility on global stock markets and financial exchanges, and the British Prime Minister has already announced his intention to step down within the next three months.

You may view this new reality as a good thing or you may not, or perhaps you have no strong opinion either way. In any case, the fallout is likely to affect many of us in ways that we cannot currently predict. One thing is clear: the UK’s exit from the EU is not a Black Swan because it will certainly happen. But the rustling of wings is becoming louder, and we’re bound to see one or two newly-hatched cygnets emerging in the near future.

How can risk-based thinking help us in this situation?

- Firstly, we need to recognise that uncertainty is natural, inevitable and to be expected.
- Secondly, we should have confidence in our ability to respond to uncertainty appropriately, either in proactive and protective ways for foreseeable risks, or in developing resilient contingency plans for the unforeseen.
- And thirdly, perhaps most importantly, we must remember that risk includes both upside and downside. There is no doubt that some of the risks we face threaten us with unpleasant consequences, and we need to minimise these threats wherever we can. But the new political realities will also present us with new opportunities, which we should identify, exploit and maximise as far as possible.

Those of us who understand risk and who practise effective risk management are well placed to handle the inevitable uncertainties that face us today and that will emerge in the coming weeks, months and years. We are also in an ideal position to advise and assist others who are less well equipped in their ability to respond to uncertainty. Now is the time for risk practitioners to step up and make our contribution.

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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