

## Should We Use External Risk Consultants? <sup>1</sup>

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Many organisations use external risk consultants to support them in managing risk. Before choosing a risk consultant, it's important to be aware of the possible **benefits** and associated **risks**, as well as having clear **selection criteria**.

The **benefits** of using an external risk consultant should include the following:

- They bring guaranteed expertise
- They can draw on proven solutions from other engagements
- Cross-fertilisation is possible, with the consultant bringing ideas from other industries
- They can offer creativity, innovation, and fresh thinking
- There's no "start-up" time, the consultant is ready to work on day one, without training
- Consultants offer access to leading-edge thinking and practice
- Consultants should be familiar with all current tools and techniques
- They are able to perform specialist techniques, such as risk simulation
- Using a consultant allows hands-on training for own staff by shadowing or observing
- You can turn on and turn off the consultancy resource when required
- Using consultants allows cost-effective use of limited resources or funding
- You only need to use consultants for specific tasks with clear scope
- There are no overhead costs for your organisation

There are however a number of **risks** to consider when using an external risk consultant, including:

- The consultant may not understand your business or the specific risk challenge
- They may lack specific knowledge of your project or organisation or industry sector
- They may offer a "one-size-fits-all" solution, not tailored to your need
- Prerequisite information may not be in place to support the engagement
- You may need to share confidential information to get them started
- You need to manage knowledge transfer to own staff in order to avoid becoming dependent
- The initial engagement may reveal a need for further assistance from the consultant

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- They may be more expensive than you expect, especially if follow-on work is needed
- They may not leave a solution that can be operated by your staff or organisation
- The consultant may use tools or techniques that you don't have available after they leave
- Your underlying processes may be deficient, prejudicing results
- Consultants may poach your own staff or tempt them away
- Your proprietary information may be at risk
- The reality may not match the offer (many consultants over-promise and under-deliver)
- Senior risk consultant staff may sell the work but then junior staff may be used to deliver it
- The consultant may not be available when you need or want them

In addition to performing a benefit-risk analysis, the following **criteria** might be useful when selecting a risk consultant:

- Proven track record of successful delivery in similar situations
- Recognised and relevant risk qualifications
- Extensive client base in similar sector or industry or project types
- Good reputation
- Personal recommendation
- Demonstrable expertise
- Availability when required
- Affordable within budget

If you can find external risk consultants who meet all the **selection criteria**, and who offer all the **benefits** with none of the **risks**, you should engage them immediately!!

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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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Known globally as *The Risk Doctor*, David Hillson leads The Risk Doctor Partnership ([www.risk-doctor.com](http://www.risk-doctor.com)), a global consultancy offering specialist risk services across the world.

David has a reputation as an excellent speaker and presenter on risk. His talks blend thought-leadership with practical application, presented in an accessible style that combines clarity with humour, guided by the Risk Doctor motto: “Understand profoundly so you can explain simply”.

He also writes widely on risk, with eleven major books, and over 100 professional papers. He publishes a regular Risk Doctor Briefing blog in seven languages to 10,000 followers, and has over 11,000 subscribers to the RiskDoctorVideo YouTube channel ([www.youtube.com/RiskDoctorVideo](http://www.youtube.com/RiskDoctorVideo)).

David has advised leaders and organisations in over 60 countries around the world on how to create value from risk based on a mature approach to risk management, and his wisdom and insights are in high demand. He has also received many awards for his ground-breaking work in risk management over several decades.

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