

## Risk – Being Bold

Dr Ruth Murray-Webster,  
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# Why me and this topic?

## **Practitioner**

Many years of experience of working with groups of people to help them identify, own and manage risk – just finishing off my role as Director, Change Portfolio and Group Head of Risk for Associated British Ports.

## **Consultant**

Previously Director, Risk in the Boardroom practice with KPMG LLP and Director, Lucidus Consulting Ltd.

As Potentiality UK, and trading as Act upon Disruption, advising companies including Rio Tinto and IM Properties Co-author (with David Hillson) of Understanding and Managing Risk Attitude (2005, 2007), Managing Group Risk Attitude (2008) and A Short Guide to Risk Appetite (2012).

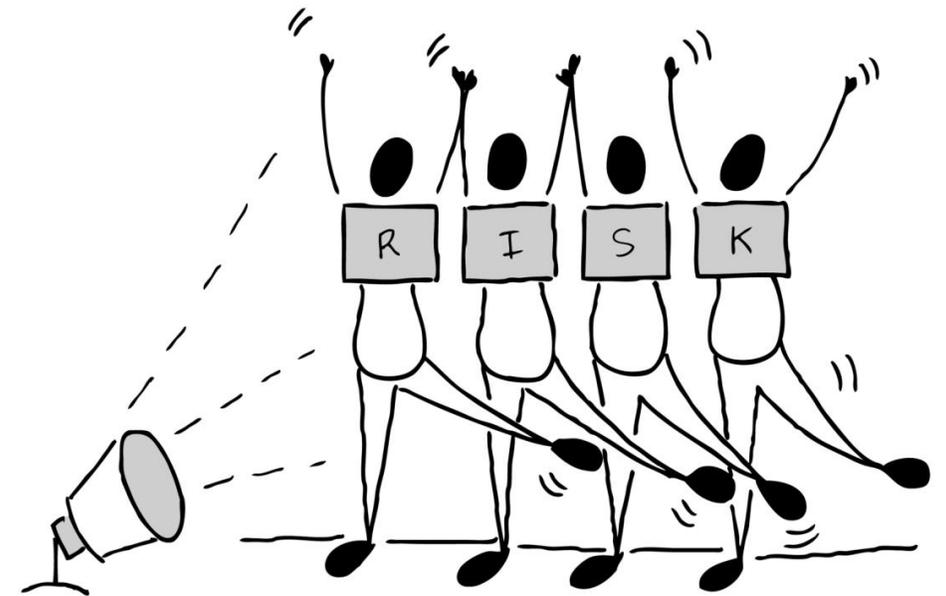
Co-author (with Penny Pullan) of A Short Guide to Facilitating Risk Management (2011)

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# What might 'being bold' with risk mean: four ideas for this talk

1. Making sure the process is adding value – aligned with strategy – not just a compliance 'tick the box'
2. Short, medium and longer-term focus
3. Not just down-side – balancing innovation and risk-taking to create value
4. Creating the culture where 'eyes open' risks can be taken in the pursuit of your purpose



Making sure the process is adding value – aligned with strategy – not just a compliance ‘tick the box’

What is at risk?

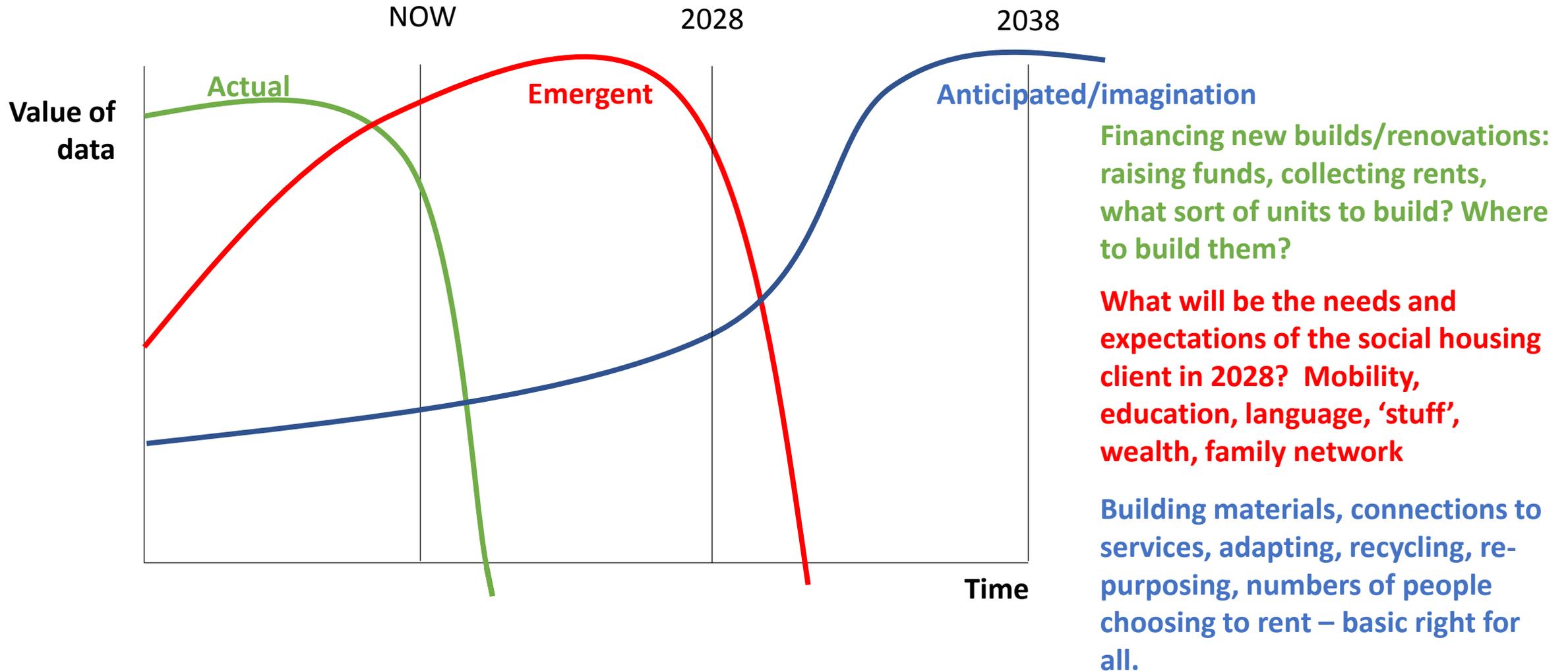
How much risk is too much risk? And in what timescales?

Capacity and appetite – for overall variation from your strategic objectives & targets

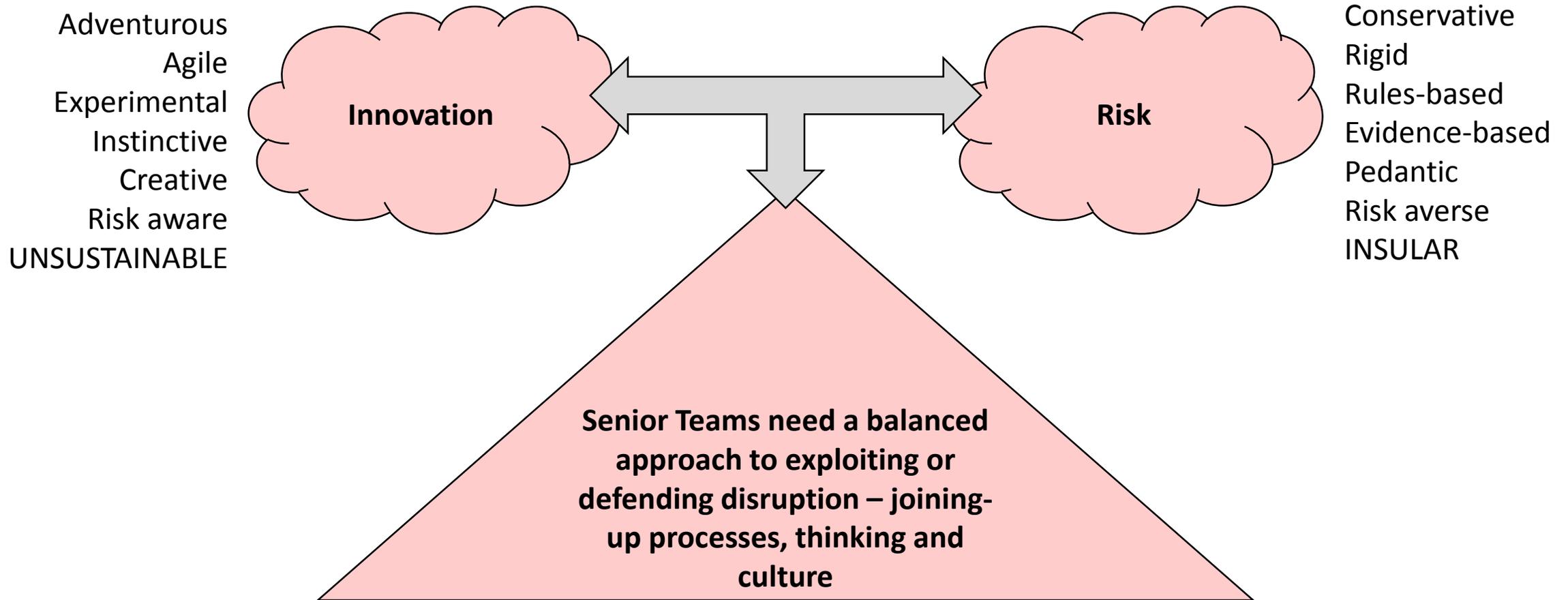
Risk assessment – calibrated scales – effective escalation and delegation to enabled good conversations and informed decisions.



Short, medium and longer-term focus – managing risk is about taking a bet on the future as responsibly as you can



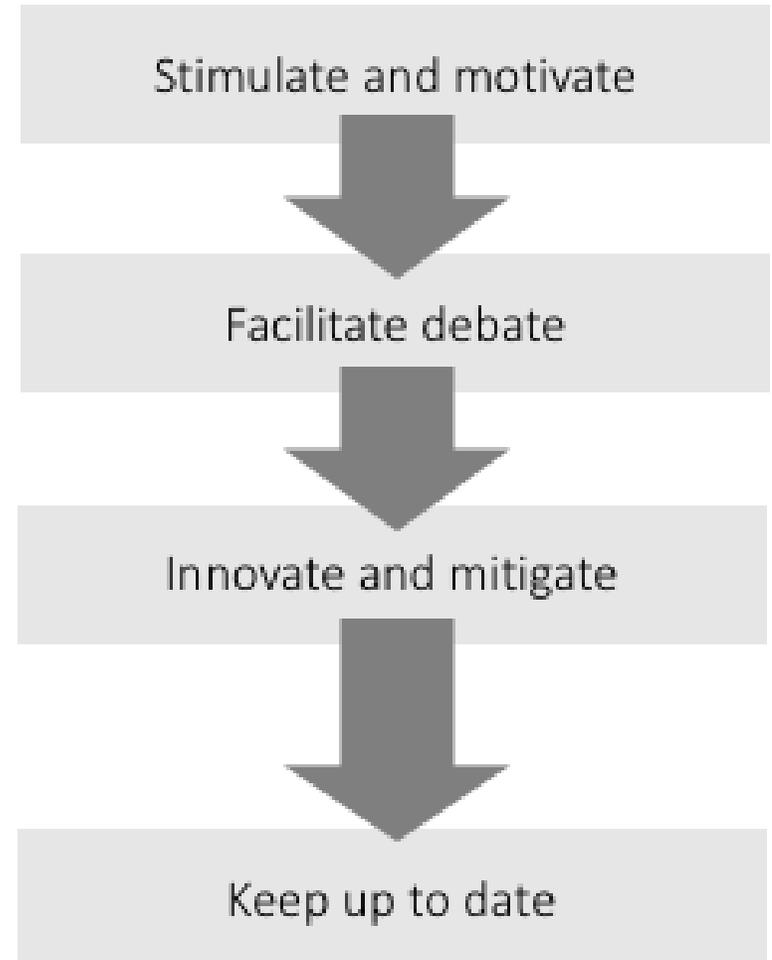
# Not just down-side – balancing innovation and risk-taking to create value



Creating the culture where ‘eyes open’ risks can be taken in the pursuit of your purpose

**“Culture is an environment - a petri dish in which certain behaviours and characteristics are allowed to flourish, or not”**

*Institute of Risk Management, Risk Culture – under the microscope for Boards, 2012*



## Choosing a risk culture – where are you now? Is that appropriate?

### **PRAGMATISTS**

The future is inherently uncertain. Therefore, strategic planning is not beneficial and all you can do is react as circumstances change.

### **MANAGERS**

Risk experts are needed to help in assessing how much risk to take on and whether there is an appropriate reward balancing the risk.

### **MAXIMISERS**

Risk provides opportunities to accrue profits. Therefore, large risks should be accepted if the gains they offer are sufficiently rewarding.

### **CONSERVATORS**

Avoiding losses is more important than improving profits. Therefore it is best to avoid or control or mitigate risks.

Adapted from Underwood & Ingram, 2010

# What might 'being bold' with risk mean: four ideas to put into action to help you address the challenges posed in Housing Horizons

1. Making sure the process is adding value – aligned with strategy – not just a compliance 'tick the box'
2. Short, medium and longer-term focus
3. Not just down-side – balancing innovation and risk-taking to create value
4. Creating the culture where 'eyes open' risks can be taken in the pursuit of your purpose



Thank you for listening – I hope you'll continue exploring this fascinating and vital subject

There is more information on:

[www.potentiality.uk](http://www.potentiality.uk)

[www.actupondisruption.com](http://www.actupondisruption.com)

[www.rara-risk.com](http://www.rara-risk.com)

[www.facilitatingrisk.com](http://www.facilitatingrisk.com)

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