

# Rethinking Risk Management

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# **What is Risk?**



**Risk is the possibility  
that bad or good  
things may happen**

- **Probability**
- **Future**
- **Upside and  
downside**

# VUCA

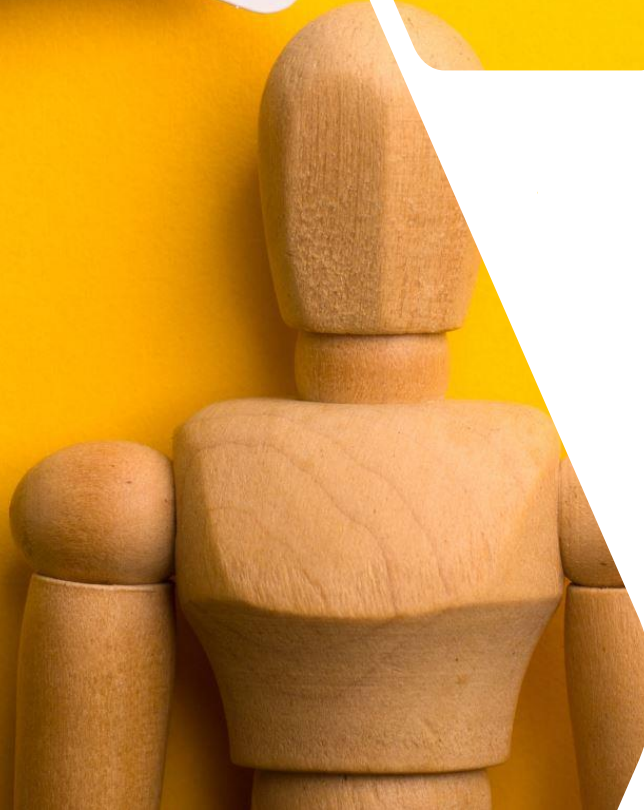


- Volatility
- Uncertainty
- Complexity
- Ambiguity





# **What is Risk Management?**





**What  
Causes  
Risk?**



# Systems Thinking





# Simple

1. Getting to Maybe, F. Westley, B. Zimmerman & M.Q. Patton, Random House Canada, 2006





Complicated



Complex

## Complicated

- Grand design
- Designer / leader
- Laws and axioms
- Elements are isolated
- Repeatable
- Predictable
- Whole is sum of parts

## Complex

- No design
- Leaderless
- No laws or axioms
- Elements are connected
- Emergence
- No predictability
- Whole is more / different than sum of parts

## Complexity Components

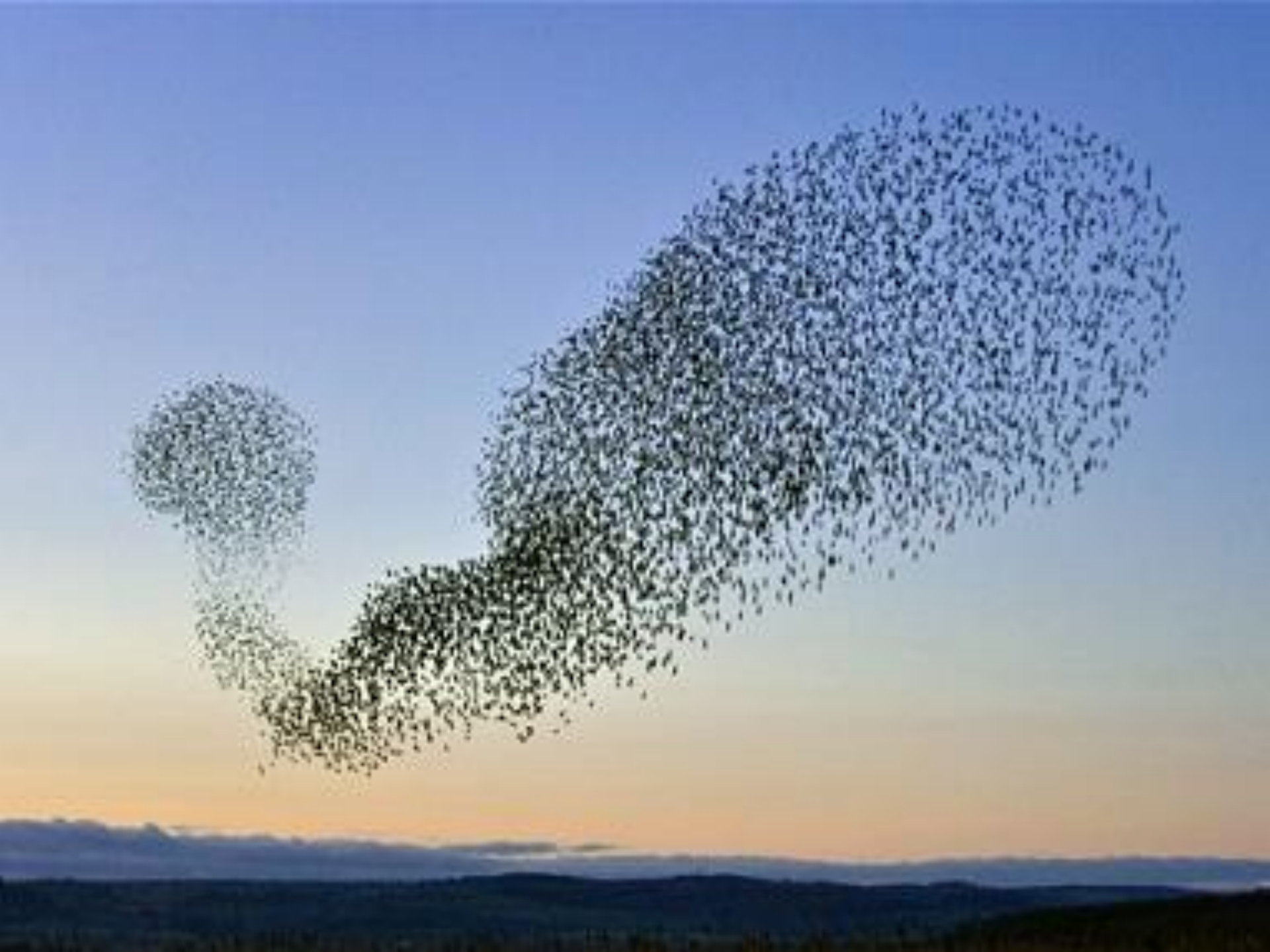
### Natural

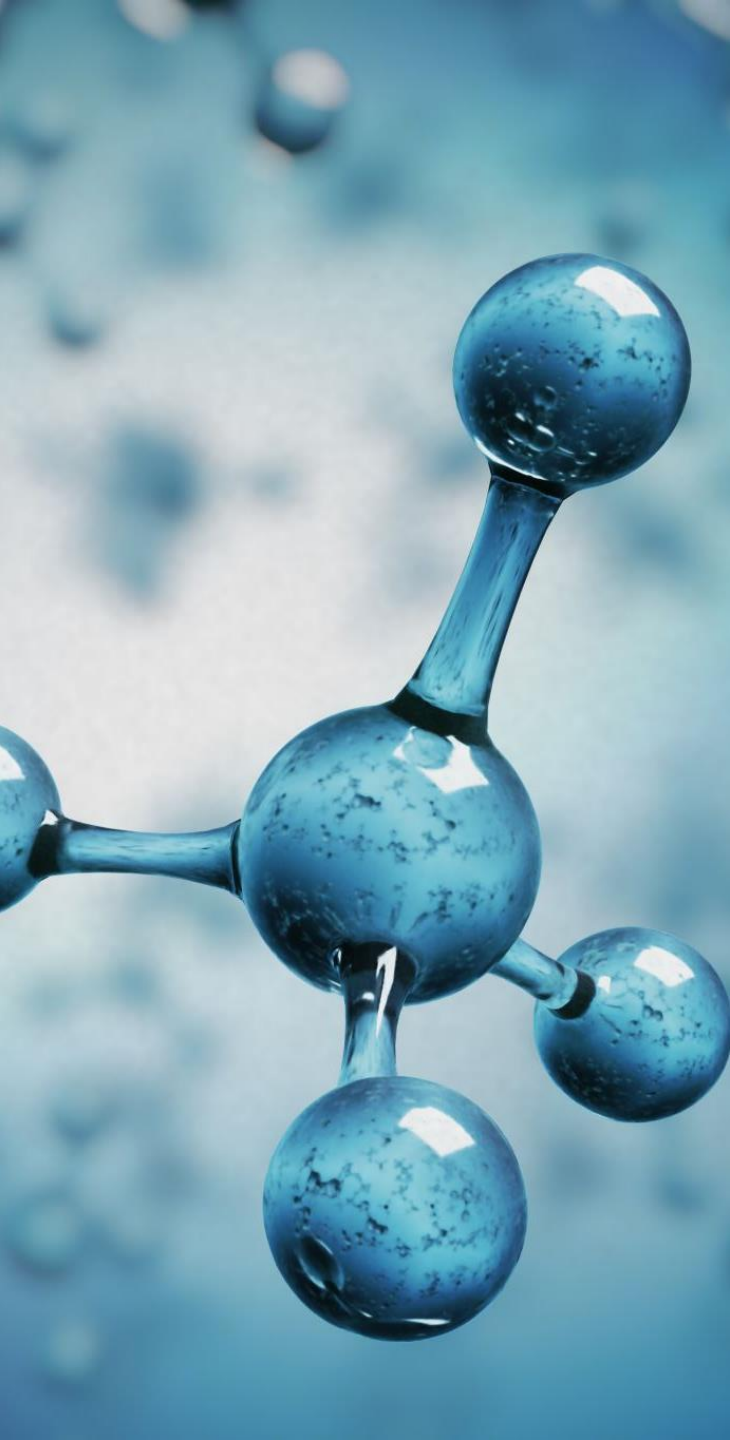
- Agents
- Connection
- Adapt

### People

- Agents
- Connection
- Adapt
- Randomness
- Emotion







# What to Do?

Understand which components are simple, complicated or complex



# What to Do?

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Think Manage, Not Solve



# What to Do?

Try,  
Learn,  
Adapt





## **Sociological Imagination**



# Risk Culture



# **Best Practice In Risk**





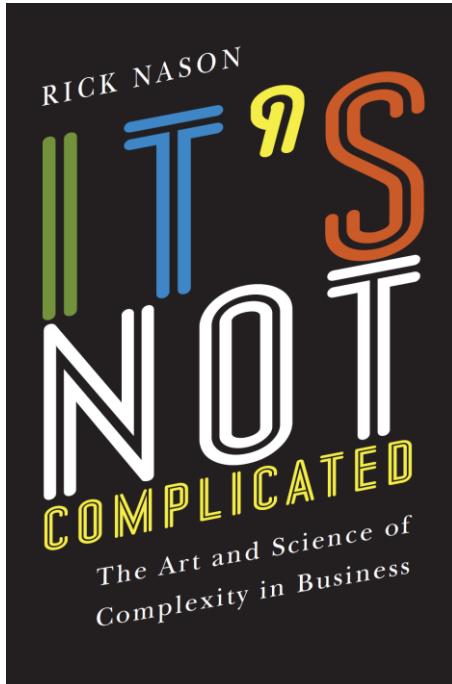
# Some Risk Questions



# **Some Concluding Thoughts**

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# Thank You



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