

Question

Risk management: are we there yet?

Advisor's opinion

'Are we there yet?' – the increasingly less plaintive and more agitated cry from the back seat. I write this as many of us set off to join families for Christmas and I am conscious February's *Insider* will be published shortly before the next holiday is upon us (Spring half term) – and mid February will bring another crescendo of 'are we there yet?!'

Risk management has come a long way in recent years. Not long ago few organisations beyond the FTSE 100 took it seriously, but now almost all recognise the importance of having a clear and effective approach for the identification and management of mission-critical risks.

But 'are we there yet?' is the increasingly less plaintive and more agitated cry I hear from organisations when referring to risk-management arrangements. More pertinently I increasingly hear 'are we ever going to get there?!'

Undoubtedly, some organisations have taken wrong turns and have had to back-track, but there are also some that have clearly arrived at their destination.

They are characterised by being able to effectively

answer such key questions as:

- What are the top 10 (or so) mission-critical risks to our organisation?
- How and why have they been evaluated as such?
- What are the key strategies, systems and procedures for managing these?
- What demonstrates that these risks are effectively managed?
- How will the organisation know if the management of these risks begins to fail?
- What will ensure we respond effectively if it does begin to fail?

And the most effective way of reaching this destination? Get your management and board round a table to discuss the key risks that your business faces on the journey to the success you aspire to. Agree the best risk-management route for YOUR business, factor in convenient monitoring and review stop-offs along the way to ensure minimal discomfort. Quite simple really, but involve a trusted independent facilitator to help provide objectivity and to keep you on track.

P.S. Sophisticated gimmicks like SatNav and portable DVD players for Kevin and Perry in the back seat are not required.



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