



risk decisions 
Shaping the Future of Risk

Who needs luck?

How innovators thrive on risk and opportunity

Val Jonas
CEO Risk Decisions Group
17 August 2022

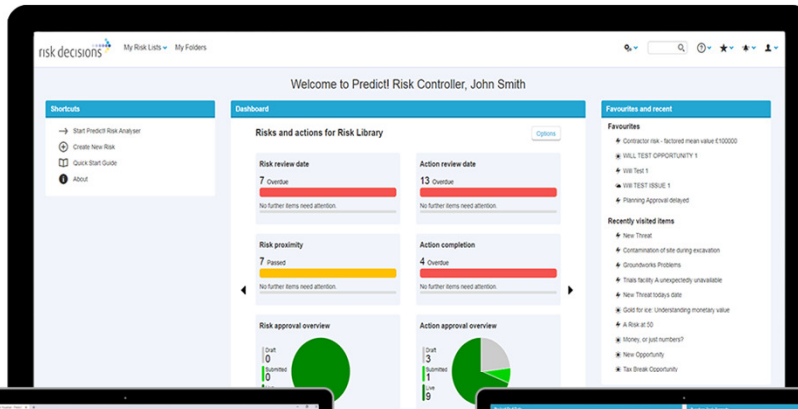


Risk Decisions' Predict! software

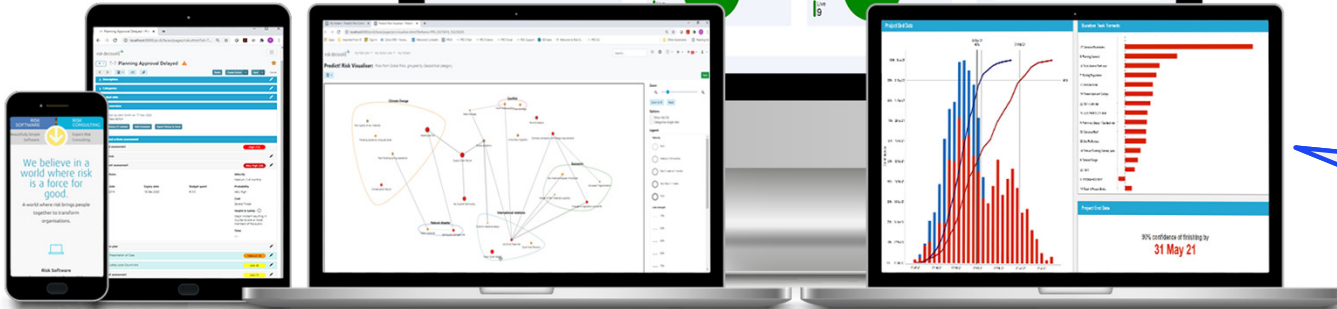
Risk Management, Analysis & Visualisation

Predict! Cloud

ISO 31000



Predict! Risk Controller



Predict! Risk Analyser

Predict! Risk Visualiser

Agenda.

- **INTRODUCTION**
Understanding opportunities
- **RISK INTELLIGENT OPPORTUNITY CAPTURE**
Short – medium – long term view
- **THE OPPORTUNITY TO INNOVATE**
Ingredients for success
- **SUMMARY and QUESTIONS**

ISO standards

Harm

Loss

Hazard

Vulnerability

Threat

Uncertainty

Issue

Opportunity

Negative risk words



Positive risk words



It helps to say
'Risk'
rather than
'Risk Management'

Innovation & change

Risk & Opportunity
The game winning strategy

Compliance
Allows you to play the game

Risk tolerance

Regulation & Control

The challenge

Why are opportunities so elusive?

- Risk typically seen as negative
- Too busy firefighting threats
- No funding / resources (zero-sum game)
- Already included in the (optimistic) bid
 - ... and are now a risk !!!
- Keep the opportunity 'up your sleeve'
 - ... for fear of failure
- "Not allowed" in the contract

The challenge

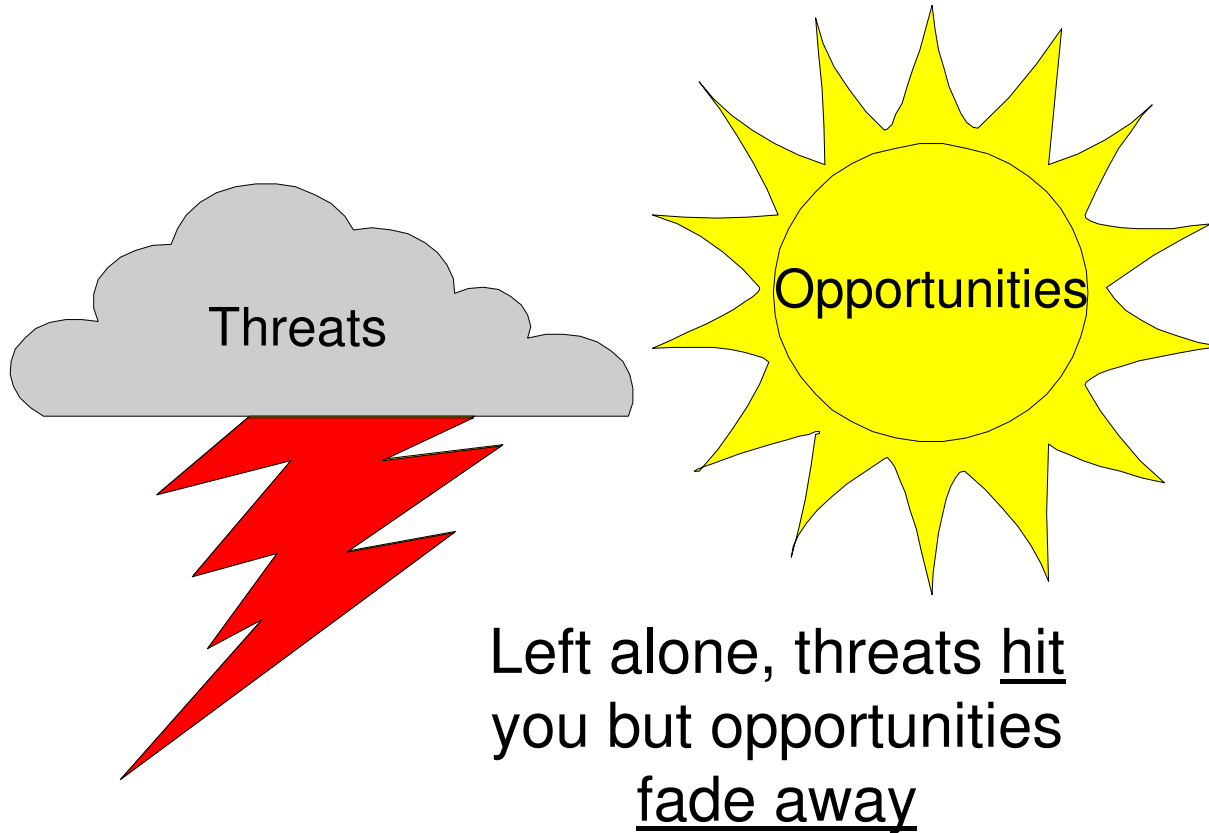
The law of unintended consequences

- Senior managers DO NOT like surprises
- Opportunities can backfire and turn into threats
- Risks can be both threat and opportunity
- **Take calculated risk to achieve opportunity**

“We take a lot of calculated risk, but we make sure that no one risk is going to topple everything. Protecting the downside is critical.”

Richard Branson

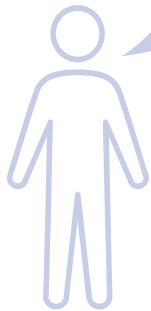
The opportunity conundrum



Risk-Intelligent Leaders

“Rarely are opportunities presented to you in a perfect way, in a nice little box with a yellow bow on top. ... opportunities, the good ones, they’re messy and confusing and hard to recognize. They’re risky. They challenge you.”

Susan Wojcicki, CEO of You Tube



“You’ll always miss 100% of the shots you don’t take.”

Wayne Gretzky, Former Ice Hockey Player and Head Coach

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The road to opportunity

Long shots



Medium term



Quick
wins

“Quick win” opportunities

Capture tips

- Open your eyes to the obvious
- Cross-functional problem solving
- **Be prepared**

“I believe luck is preparation meeting opportunity. If you hadn't been prepared when the opportunity came along, you wouldn't have been lucky.”

Oprah Winfrey, Talk show host, TV producer, actress, author and philanthropist

“Medium term” opportunities

Capture tips

- Use lessons learned
- Look in your schedule (avoid constraints)
- **Diverse, lateral thinking**

Ambitious risk managers appreciate different perspectives, values and models as well as invite a diversity of thinking, so be open to new ideas.

Andrew Millington, Group Director of Project & Programme Management at QinetiQ



“Long shot” opportunities

Capture tips

- Horizon scanning
- Scenario planning
- **Out of the box thinking (courage)**

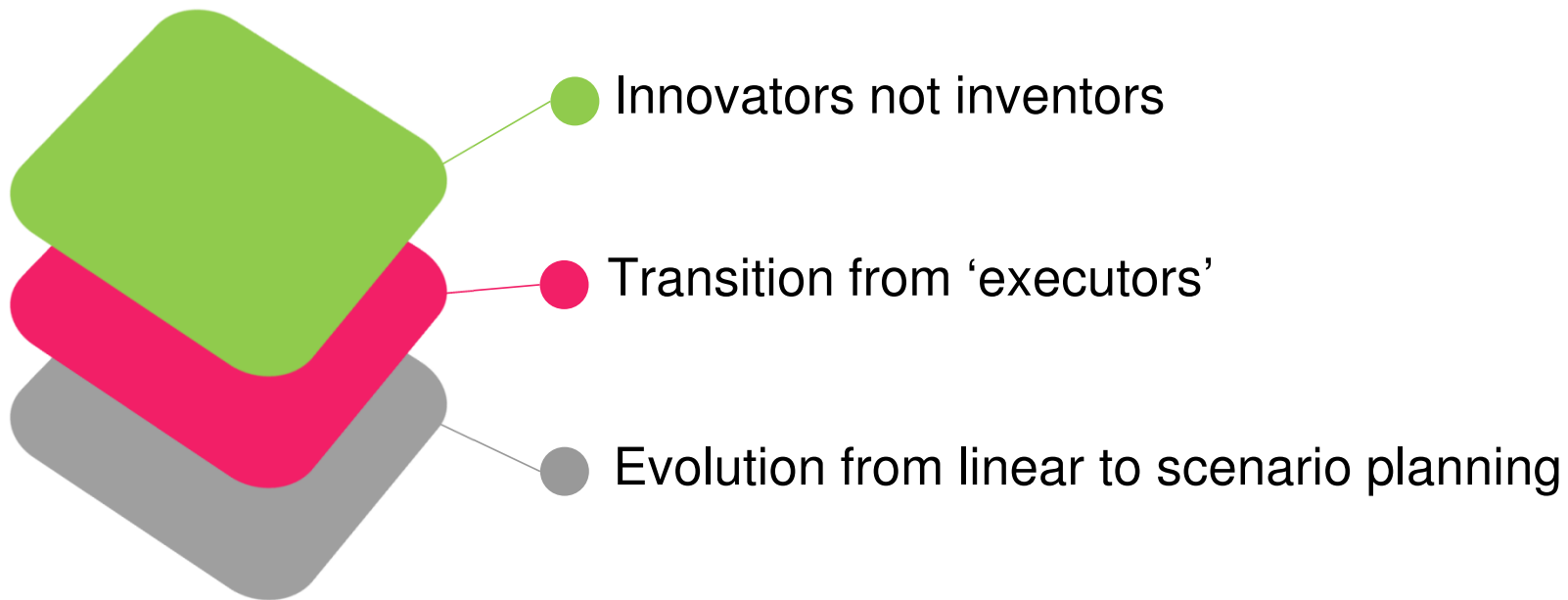
Too often people at the top don't welcome middle management 'out of the box' thinking – if you want innovation + pace, you need leaders who can handle them.

Simon Henley MBE, Business and Industry Strategy Adviser at Reaction Engines

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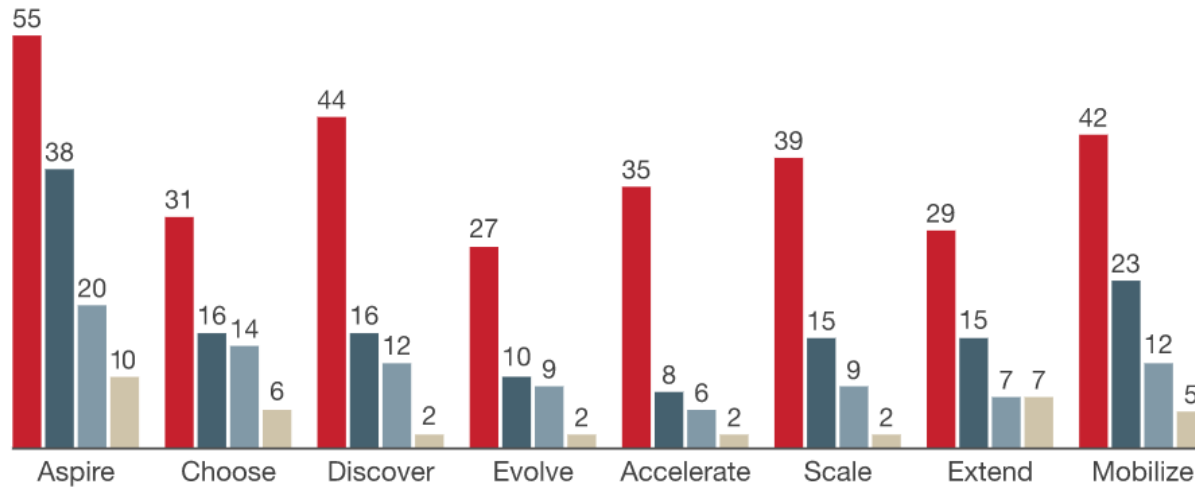
Shaping innovation



What innovation leaders say they do right McKinsey: the eight essential attributes)

% of respondents by performance quartile¹

■ Top quartile ■ 2nd ■ 3rd ■ 4th



The survey tested for 27 innovation practices spread across eight essentials

Requires cross-cutting practices and processes (to structure, organise, encourage innovation)

Source: McKinsey survey of 2,500 global executives, Nov 2012

<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-eight-essentials-of-innovation>

Creative & Strategic attributes

Aspire

- Set big targets
but provide a 'safety net' (strategic direction)

Choose

- Encourage the best ideas
but create boundaries

Discover

- Important problem, technology to solve it
but ensure real world feasibility

Evolve

- Listen, re-evaluate, connect with stakeholders



“Bringing thought from elsewhere is good for organisations; it allows a new wave of innovation to move forward.” Sue Simmonite

Organise & Deliver attributes

Accelerate

- Speedy risk-based decisions fail fast, fail often

Scale

- The switch from agile, pivoting to “laser focused” delivery

Extend

- Find partners, collaborate

Mobilise

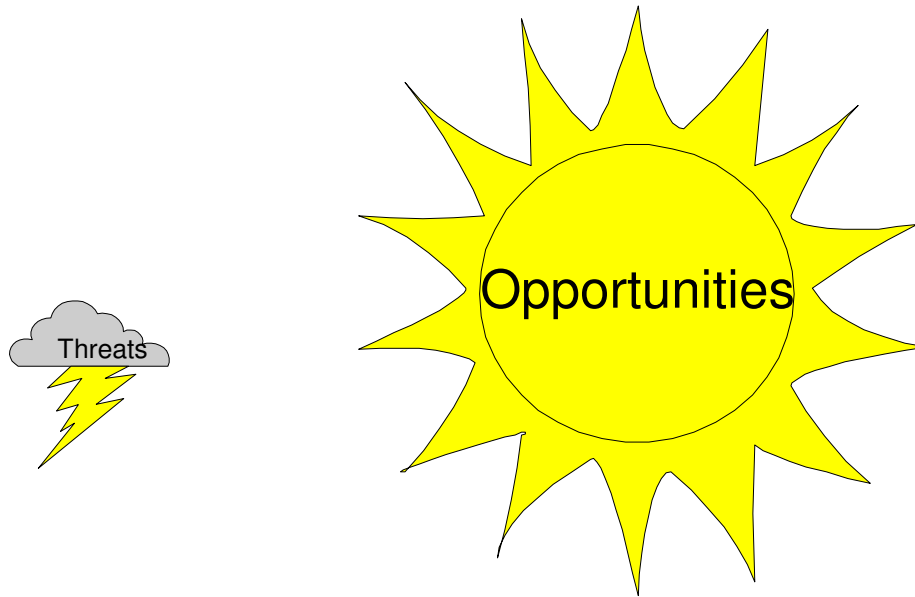
- Active involvement from C-Suite (not just comms)
... align innovation with strategic direction

“it is not the manager’s job to prevent risks. It is the manager’s job to make it safe to take them.”

Ed Catmull, Pixar



Intelligent innovation



Manage the risks
Nail those opportunities

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Innovation: Setting expectations

- Align Portfolio risk with Individual's risk
- Large companies: act small in the right way
- Small companies: act large at the right time
- Make speedy risk-based decisions

"A ship in harbour is safe, but that is not what ships are built for."

John A. Shedd, American Author and Professor

"Developing a risk mindset means understanding, embracing and planning for the future."

Emma Bradley

Podcast: The essentials of innovation, Erik Roth, Nathan Marston

<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-essentials-of-innovation>

The risk intelligent organisation

**OPPORTUNITY
ENGAGEMENT:**
just DO IT !!!

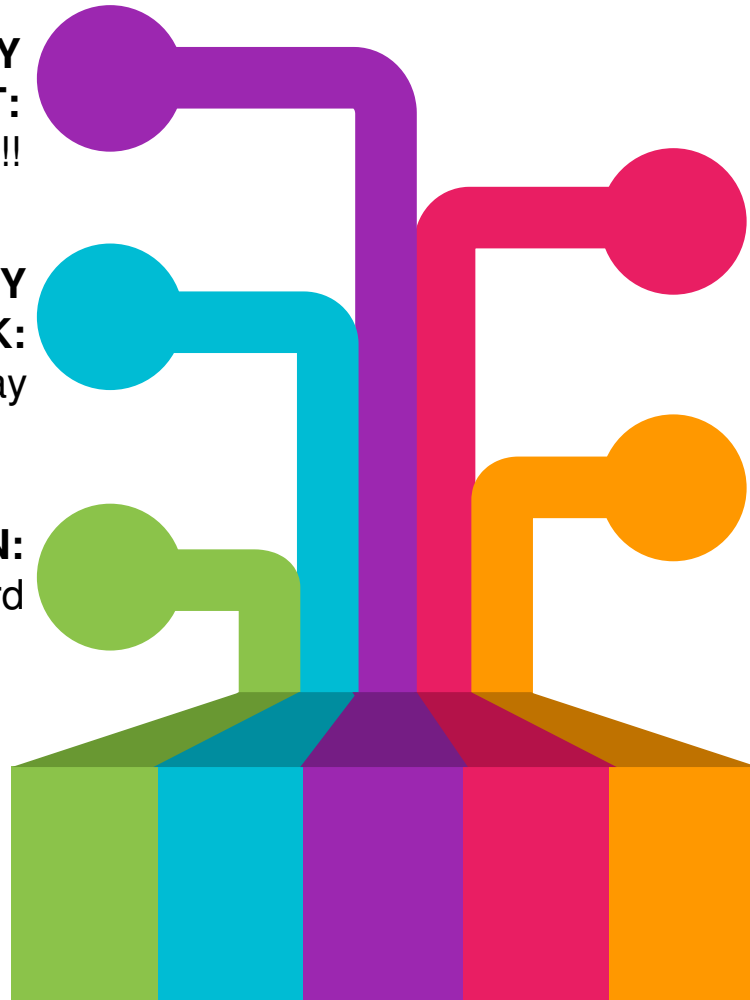
**OPPORTUNITY
FRAMEWORK:**
Everyone has a role to play

OPPORTUNITY VISION:
The board on board

**OPPORTUNITY
PROGRAM:**
Implementation

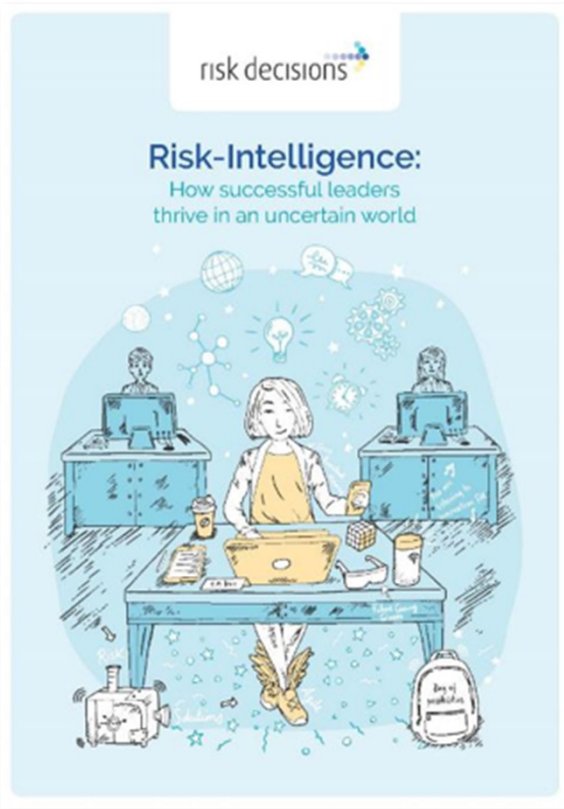
**OPPORTUNITY
STRATEGY:**
How to achieve the vision

Here not just
to play the
game, but to
win it



Risk-Intelligence:

How successful leaders thrive in an uncertain world



“Very insightful comments well worth pondering by our corporate and government leaders at all levels.”



www.riskdecisions.com



Shaping the Future of Risk

Thank you for listening

Questions



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