

risk leadership

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How to be heard



Risk Management Partners



Risk Leadership - How to be heard

The most common challenge of risk professionals is to be heard. To get the message across to the right people so the business grasps the concepts of risk management and embraces the principles to deliver the outcomes desired by the organisation.

In many ways the secret is decidedly simple; be charismatic, charming, intelligent, “larger than life” and tell them what they want to hear.

In reality, not every one of us, in fact very few of us, can be seen to be all of these things by everyone all the time. Yes sometimes a staff member may find you charismatic because of your wit and good humour, however, at the same time a senior manager may find you frivolous or irresponsible.

Part of the secret is to know your audience while another part is to learn how to talk to them in their language and tell them what they want to hear while

telling them what they need to hear. At the end of the day, good risk management is all about ensuring success. Your audience wants success, so why is it so hard to get so many of them to listen?

Learn how to talk to
them in their language

Understanding the challenge

Perception is reality and unfortunately so much about risk management is dealing with perceptions. None of us can accurately predict the future and hence we have to rely on our knowledge, experience and, when available, historical data to help us understand the likely and unlikely consequences (good and bad) of our decisions. No matter how good the information we have that makes up our knowledge picture, our ultimate view on the riskiness or otherwise of a decision is influenced by our perceptions which are heavily influenced by our psychological biases. For example, there are well documented studies concerning “confirmation biases”. This is where we have a preference to side with sources of information that vindicate our views.

The problems of perception regarding risk management are much more widespread

than the perceptions around our risk decisions. For the risk professional there are problems with perceptions of the profession itself. In many organisations, although it is becoming less prevalent, when you walk into a room and announce you are from the risk management department, you are immediately perceived as something most of us are not – a “wet blanket”. Unfortunately often the perception is that you are here to spoil the party, to throw a wet blanket over things or to put a hand brake on what the room perceives to be a sleek Formula One racing machine. The perception is about forms, box ticking, unnecessary meetings and worse still, a perception that it is all about something senior management don’t even care about.

It’s like climbing a mountain and reaching its peak and shouting at the top of your voice and being heard for miles around

Here in lies the greatest challenge. There is one element that we all know is more important than any other element – buy-in from the top. If you win over the CEO and the Executive you win over the organisation.

The Ultimate Challenge - Be heard at the top

It is one thing to realise the need to win over the CEO and Executive, it is another thing to have a strategy to achieve it.



The path ahead

One of the most intriguing misperceptions about risk management is that it is all about preventing things from going wrong. Risk professionals know it is all about ensuring organisations set achievable goals and then achieving them. Is that not “being successful”? Does that not represent individual success if you are the leader of the team that sets and achieves the objectives?

Then why is it so hard to get some senior management teams to buy-in? Not just the agreement “... risk management is important and it must be done properly...” but a team of executives “walking the talk” and demanding better informed decisions by their staff and better information for their own decision making.

In many cases it is because senior managers don't actually have a clear picture of what a strong and effective risk management framework is and how it leads to the type of decision making they desire. Therefore as risk professionals we need to draw them

a picture. Whether the risk framework you need to talk to them about is for safety, environment, projects, a myriad of other applications or an integrated enterprise risk framework, you need to help them to understand what it looks like and how it operates – you need to provide them with a description of the organisation when it is nearing the summit of the risk management journey from a vulnerable organisation to one that is adaptive and resilient.

Another problem we hinted at above is that for some risk professionals the challenge is more difficult as you don't report to the CEO or you don't have direct access to the CEO. That is, you are not a member of the C-Suite yourself. Well, that just makes the challenge all the more rewarding when you do achieve the ear of the CEO and become a trusted advisor.

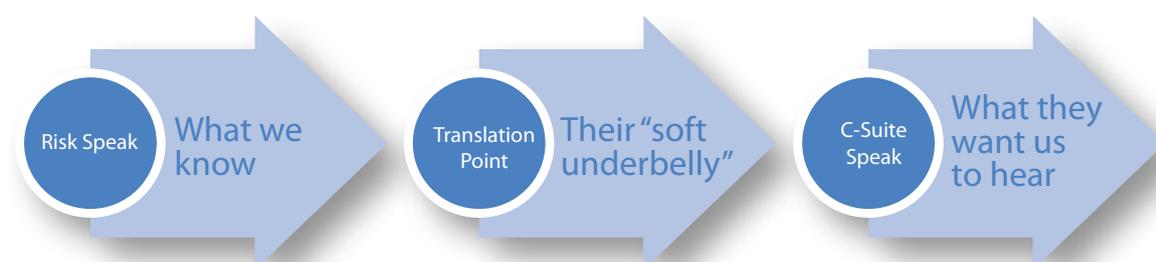
A strong and effective approach to risk management in an organisation is evident if it actually affects the decision-making of staff

Depending on where you are starting from in the organisation you need to formulate a strategy that will help you navigate your way to trusted advisor status so you are not just heard, indeed your opinion is one of the first points of call for the CEO, the Board and the Executive. You need to win over each layer. You need to win the support of your peers, your boss and your boss's boss. All the way to the Executive, the CEO and ultimately the Board. Once you have been heard in these echelons you are on top of the mountain and they can hear you loud and clear. You own the right to advise the whole organisation and they will listen.

Your mode of transport

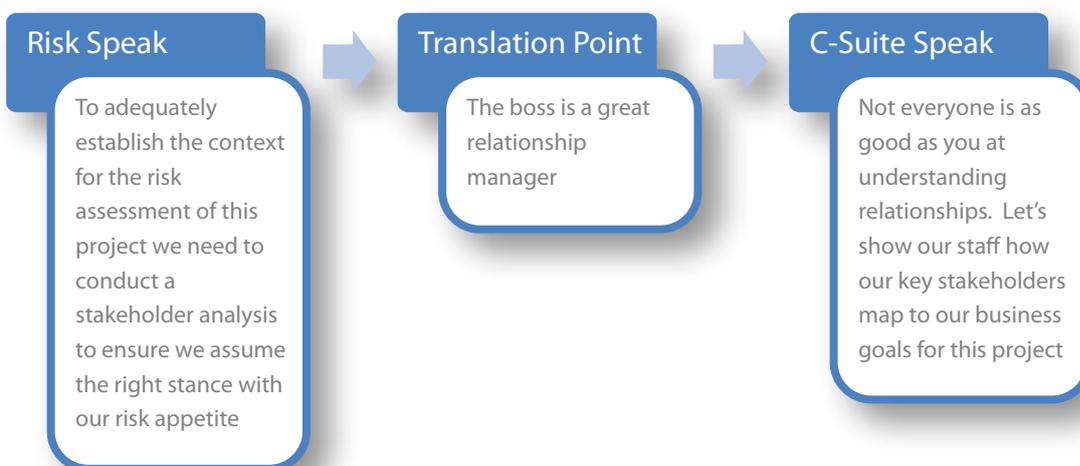
Once you have identified the path ahead, the next step is to choose your mode of transport. Earlier we identified that you should be charismatic, charming, intelligent, and "larger than life". Well one option is to try and become all of these things. You could go to the Dale Carnegie School on how to win friends and influence people, you could attend a public speaking course, a course on negotiation skills or a broader leadership skills course. All of these things are likely to have some impact. However, for some it comes much more easily than for others and for some of us – well it is just not us. So we have to choose a different vehicle.

"Risk Speak Translators" are a great mode of transport. At RMP we have identified that one of the greatest obstacles to influencing senior executives was our profession's use of "Risk Speak". The use of technical risk management terms that really don't translate well over to "C-suite Speak". Irrespective of how charismatic you are, if they can't understand what you are talking about or can't relate it to their role and challenges, they will politely thank you and move on to the important tasks for the day. So one option for you is to work on your language and even develop your own personal suite of "Risk Speak Translators". Here is how it works.



It is in many ways a simple process. You know what you want and in general we know what others want, we just need to change our language to make sure they are hearing our message. First write down what you want to achieve (Risk Speak), think of how that aligns with one of your target audience's goals or desires (Translation Point - their "soft underbelly") and then write down what they want to hear (C-Suite Speak). Examples of their soft underbelly may be a desire for larger profits or a better work-life balance or it could be something as simple as their love of a particular sport. What you are aiming to identify is a topic they find appealing that you can use to design a few words that identify with that topic but has the same ultimate meaning as for our Risk Speak. Try this simple example:-

In the example below you have gained agreement to conduct a risk assessment of a project. You are now asking for more of management's time to conduct a stakeholder analysis before the workshop.



How to go about it

We discussed the challenge facing us as risk professionals, the path we need to follow to reach the lofty heights of trusted advisor to the C-Suite and that one of our options to travel the path is to learn to speak a different language. Let's now draw up a plan for you to work through so you can achieve your goals for trusted advisor status. Remember, you may be starting small with a need to influence your peers or you may be one short step from trusted advisor to the CEO. Irrespective the elements of this plan can be adapted to help you to be heard more clearly than ever before.



Target

There is a broad range of stakeholders that you may wish or need to influence. It is a tough ask to win them all over at once so we recommend you list them and identify in which order you will tackle them. In coming to the decision of who you will approach first you will obviously need to consider issues such as, who have I already won over, who will be easiest and who will be hardest. Another issue you should consider is where you need your next risk leaders to come from. Risk leadership in an organisation is a 360 degree challenge. Everyone in an organisation from the receptionist to the CEO has a risk leadership role. Our advice is to make sure you get "bang for buck". For example, if everyone in the organisation holds the R&D department in awe because they invented the next big thing that has been driving growth, then you might want to start there. If you can win them over and enshrine risk management in their mantra, you will get your message more effectively to other parts of the organisation more quickly than beginning work on one of the underperforming areas. On the other hand, if you can fix an underperforming area by winning over the new head of the area, it might be best to start there.

Above all, think strategically about the pathway you set for yourself.

Analyse

Know your target audience. Whether an individual or a group, they will have certain personality traits and motivational drivers that you need to identify and articulate. This may be easier for some than others. If you are not very knowledgeable about your target audience, then ask others to describe them to you. Ask what they believe motivates them the most. Leaders in organisations are always thinking about these things (often subconsciously) as they need to understand themselves to ensure the outcomes they want from the individual or group are achieved.

“Know your target audience”

Write down the results from your research and analysis and store them. You will need to refer to them in the next two steps.

Tangibilise

Develop a sales model and a story to go with it. An effective risk management framework is an intangible that most people struggle with when they are first exposed to one. The role of your sales model is to make it as tangible as possible. Sketch it up and work on your story behind it. When you are happy, prepare it in electronic format and make it look professional but also sex it up a bit.

An example is RMP's Enterprise Risk Framework “sales model” below. We have a few different versions of the story we work behind the model that we pick and choose from depending on the audience. One concerns a builder and it goes like this:

“When a builder builds one home at a time he manages all of his major risks himself. He manages the construction risk, the client, suppliers and the bank. When he starts building three and four homes at a time he has to appoint a site supervisor to manage much of the construction risk but retains most of the client, supplier and all of the bank risk. Then he becomes a tier one builder listed on the stock exchange with

construction, property development, property management, corporate services and funds management divisions to name a few. He appoints business heads and creates silos... and on goes the explanation about how enterprise risk management is about integrating all the different aspects of managing risk.”

At the end of the story our aim is to sufficiently tangibilise the framework so the audience can perceive the challenge of getting people up, down and across the organisation to be making consistent and well founded decisions based on risk.



We often follow this up with our RMP Healthcheck curve (see diagram) which allows us to describe the risk management journey from being a vulnerable organisation to a resilient one. We can even discuss where they believe the organisation is on the diagram. Most importantly it is aspirational.



Translate

Now that you have the tools to attract attention, you are ready to build your translators. First decide on what action or decision you wish your target audience to take. Write this down in Risk Speak. Go back to all the points you noted about your target audience and identify one or more potential translation points. That is, identify their soft underbelly, the ideas, concepts, wants or desires that you can work with to turn your Risk Speak language into the language they will relate to. For people like sales staff that are remunerated mainly on bonus this is much easier than for call centre staff or technologists. However, if you have analysed well you will soon see some translation points.

Write down the words you believe they want to hear to act the way you want them to act. Now for a group you can trial the approach on one or two to see how they

react and you can redesign or refine your translation. If your target audience is an individual you can trial your approach on a colleague and ask them if your approach is right.

Overtime you will develop a collection of translation points you can draw from before your key meetings, presentations and negotiations to make sure you have the right message. Each time it will be easier. Eventually the process will become automatic for you and you will be chopping and changing out of one target audience language to another.

Your reward - being heard

At first your rewards might be small. A peer will seek your advice or you will get agreement to put risk on the agenda of management meetings. Over time as you implement your grander plan your rewards will increase. You will be engaged early on for the bigger management decisions. Audit and risk committees will seek your assurance more actively and act on your concerns more swiftly.

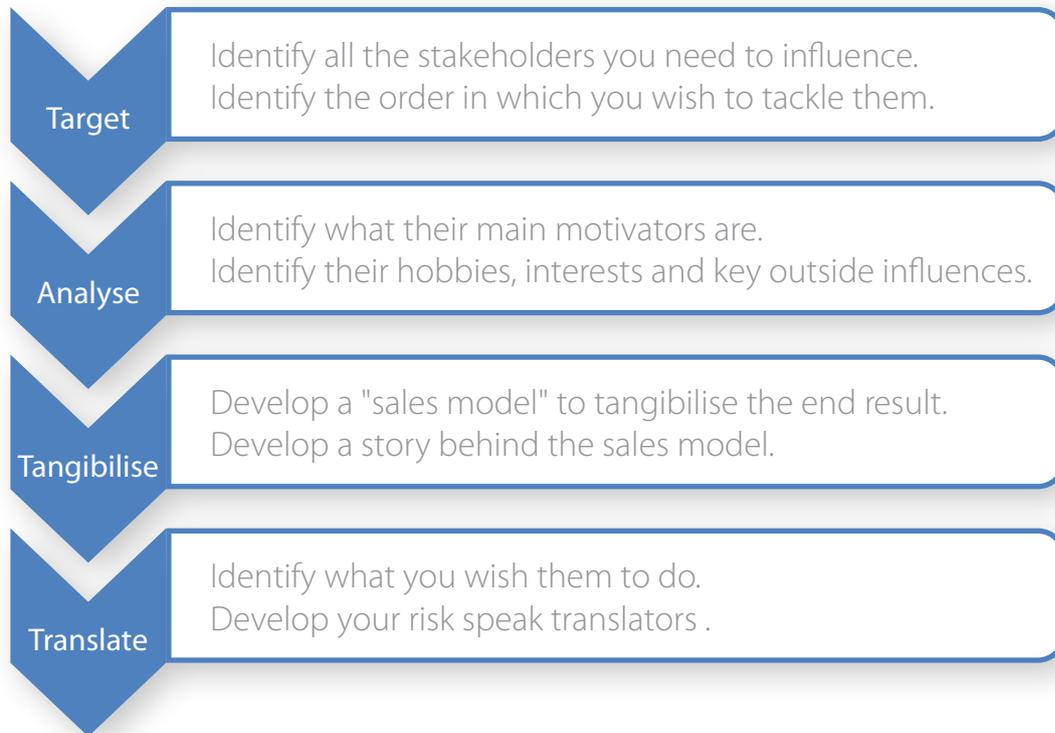
Your reward
...you will be engaged
early on for the bigger
management decisions

On a final note, risk management is a process that you preach. This is a process that RMP preaches. We believe that if you follow it, you will get results.

Starting kit

Our principle consultant Bryan Whitefield facilitated a workshop for the ACT Chapter of the Risk Management Institution of Australasia (RMIA) on the topic of “Influencing skills for risk professionals” in their 2010 chapter conference. We have taken the outputs of the workshop and developed them into the attached starting kit for you to work from.

Starting kit - Based on RMIA ACT Chapter 2010 Conference Workshop



The Process



Targets

The target audiences we worked on in the workshop were:

We divided up into five groups and each had one of the target audiences to apply the process to.

Analysis

In a very short timeframe the groups identified the following key attributes about their fictional target audience:

CEO	<ul style="list-style-type: none">• Strategic thinker• Stakeholder engager• Ultimately responsible	<ul style="list-style-type: none">• Hates surprises• Reputation manager• Values driven
Executive	<ul style="list-style-type: none">• Outcomes focus• Strategic thinkers• Relationship managers	<ul style="list-style-type: none">• Hates surprises• Ambitious• Budget conscience
Boss	<ul style="list-style-type: none">• Budget conscious• Resource poor• Promotion orientated	<ul style="list-style-type: none">• Concerned about perceptions• Activity focus• Decision restrained
Peers	<ul style="list-style-type: none">• Ambitious• Budget focus• Control focus	<ul style="list-style-type: none">• Competing priorities• Committed• Seeking work/life balance
Staff	<ul style="list-style-type: none">• Job security• Money/stress balance• Time poor	<ul style="list-style-type: none">• Seeking autonomy• Desire to trust• Need for communication

Tangibilise

In the workshop time constraints prevented us from working on building sales models, however, we worked on identifying why some risk management issues should be important to our target audience which tangibilised the challenges they face.

CEO

- RM focus on aligning resources and achieving objectives
- Risk intelligent workforce making risk based decisions
- The need for assurance as the person ultimately responsible
- Risk ownership means accountability

Executive

- Battle for scarce resources
- Need for good management decision making
- Personal accountability for key risks
- Consequences of not managing risk well

Boss

- Key role in establishing responsibilities
- Accountable for risk management failures
- Need for good framework and processes to deliver good RM
- A key process towards demonstrating compliance

Peers

- Improve RM and improve outcomes
- Major projects delivered on time, on cost and with functionality
- Builds business cases for resources
- Able to provide assurance of capabilities

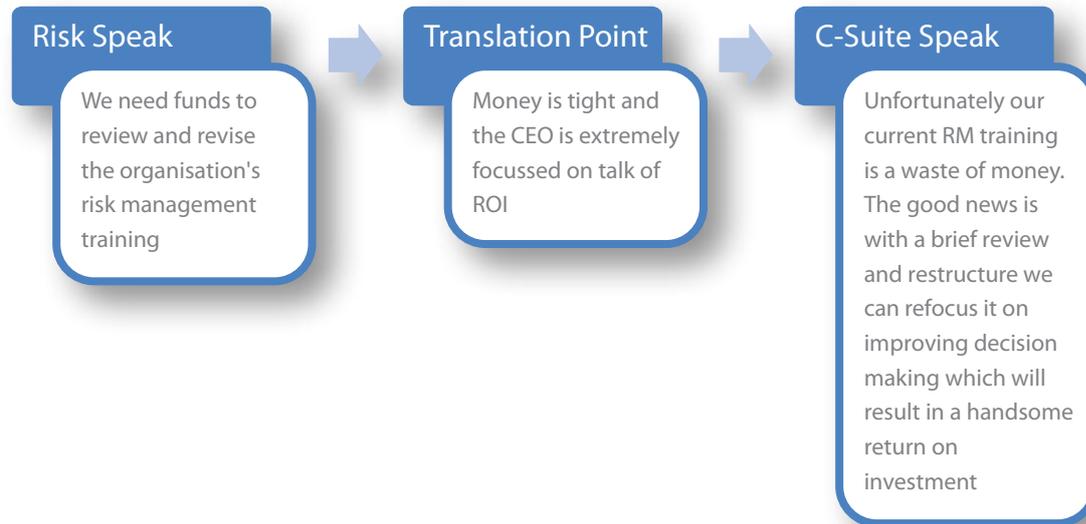
Staff

- It is about your safety but is also about your job security
- Better RM means less headaches, less stress and more time
- Empowers you by helping you to communicate issues
- Provides an avenue to assess ethical issues

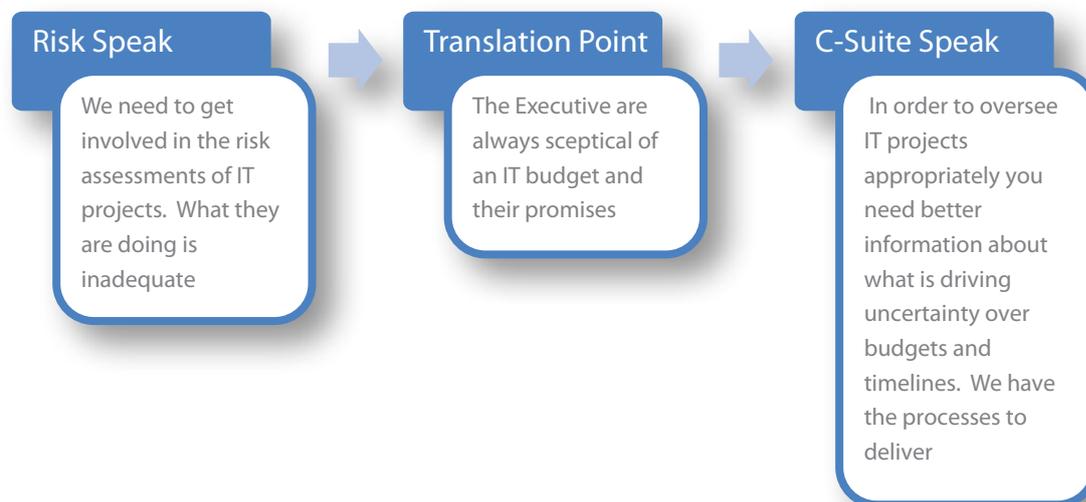
Translators

And with the time we had remaining we worked on translators. Here are a few examples:

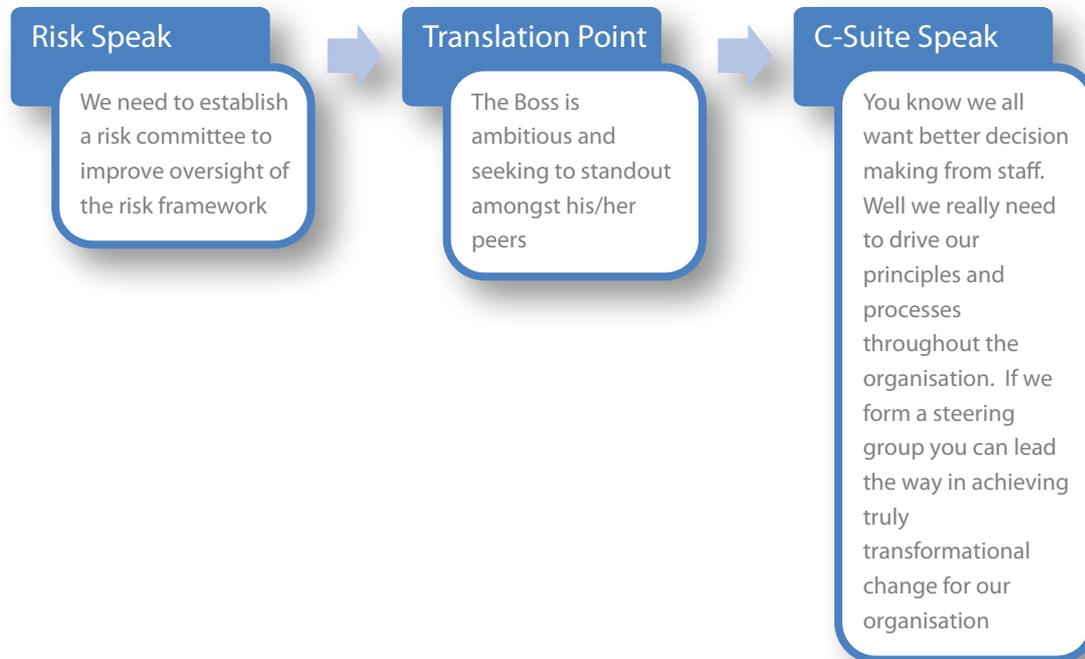
CEO



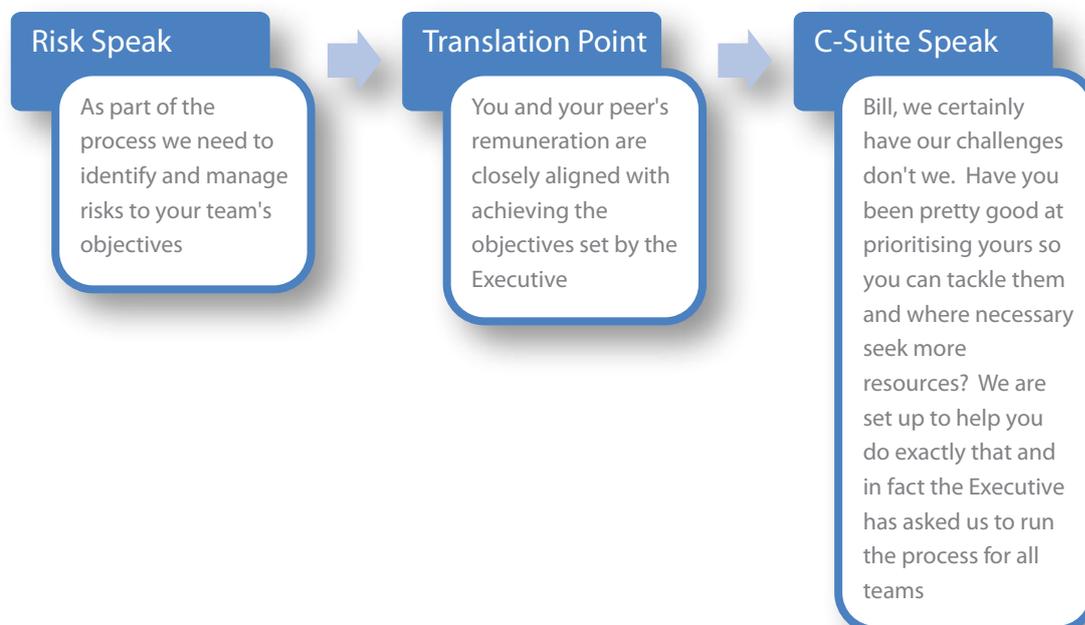
Executive



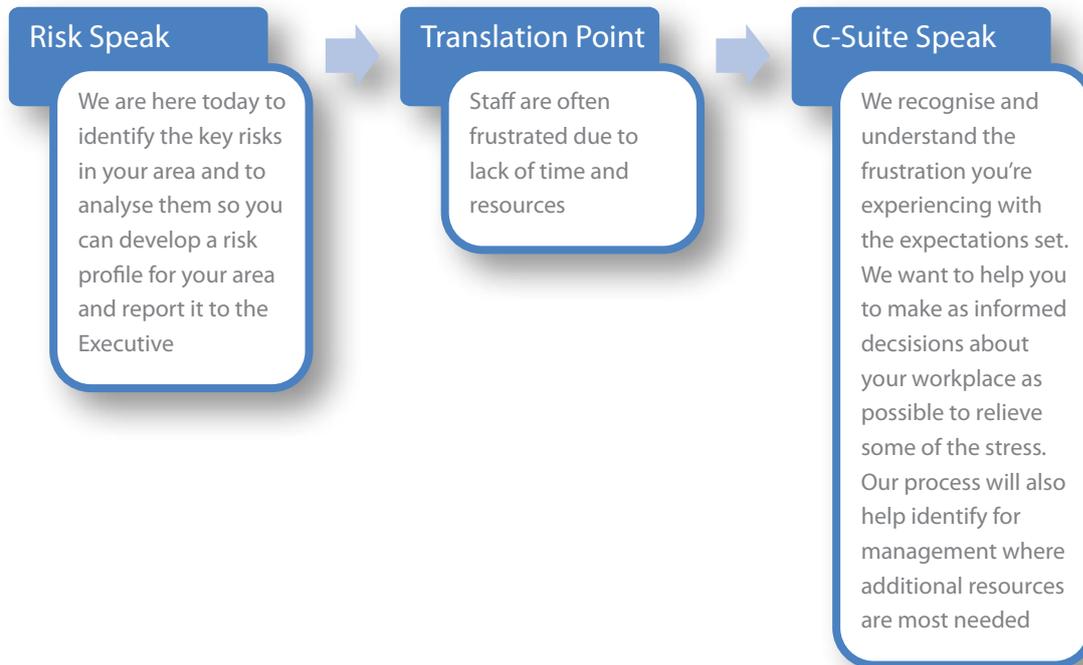
Boss



Peers



Staff



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