

THE ROLE OF RISK CHAMPIONS

TURNING RISK FROM THE
DEPARTMENT OF 'NO!' TO THE
DEPARTMENT OF 'GROW!'

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ABOUT THIS PAPER

There are two types of organisations when it comes to risk. Ones that treat risk as a box-ticking compliance exercise for the benefit of the audit and risk committee or the regulator and ones that use the risk process to improve decision-making and drive performance.

If your organisation is the former, transitioning your organisation from one to the other requires both skill and resources. Unfortunately, you are often asked to do it all with very few resources. This is where a community of practice, Risk Champions, comes in. If your organisation is the latter and uses the risk process to improve decision-making and

drive performance, you are missing a massive opportunity for an exponential return on your investment in risk if you do not have a high performing team of Risk Champions.

This paper explains in some detail the why of Risk Champions and provides a short but clear pathway for developing your team of Risk Champions into a high performing network of enthusiastic and influential advocates across the business.

If your team of Risk Champions are not enthusiastic and influential, please read on!

WHEN RISK IS SEEN AS THE DEPARTMENT OF 'NO'

Although the risk industry has been making headway in changing the perceptions of business, for people who consider risk to be a compliance activity and an impost on business, this is still a common perception. In some cases, the Board and Executive get what good risk management looks like, yet the block in understanding is in middle management. Saying that, sometimes middle management understand and are blocked from doing great work because of the perceptions of senior management. Then there are staff closer to the front-line, at the extremities of the organisation when it comes to management's ability to influence decision-making, who are inundated with policies, processes and systems who want to avoid any more red tape.

Wherever the block, or blockages, are in your organisation there is usually an underlying cause and it is usually one of the following:

1. Poor Framework

Over the past decade or two, keen and well-meaning risk managers have designed comprehensive, all-encompassing risk frameworks that meet every letter of the 'law' as decreed in their minds by a risk standard such as ISO 31000 or another framework such as the COSO framework. Too often the result has been either complexity or the introduction of a foreign language with no translator or both and the associated burden imposed on business.

- **Risk is often seen as compliance and therefore a handbrake on business.**
- **You lack the resources to engage with enough of the business to change these perceptions.**
- **You need to an enthusiastic and influential team of advocates to champion your cause.**

2.Bad Experience

Sometimes you can get by with a poor risk framework, however, you can't get by with a bad experience. Too often risk managers have utilised hours upon hours of valuable management time in workshops dreaming up, listing and rating scores and scores of 'risks'. For many staff, this may be all they have known.

3.Sporadic Engagement

Even when management and staff have been given a good experience by you, too often their next experience is only brought on by a 'compliance' requirement because you are under resourced. And annual reviews of risks, while management and staff are making key decisions every day, does not bring much value from an organisation's investment in risk.

If you have any of these problems, then they need repair to reduce the impost on the business and to allow true value to be created through the risk process. The importance of these three activities: framework design, experiential learning and ongoing engagement are placed into context in an organisational model for risk that links frameworks, perceptions and behaviour.

Framework

Check that your framework drives the right behaviour. Is it too complex and time consuming so that it drives a tick-box mindset? Are the 'penalties' so onerous for risks rated above a certain threshold it encourages under rating of risks to avoid the pain? Is it separated from business as usual such that it creates the perception of 'another process', one that staff have to 'comply' with?

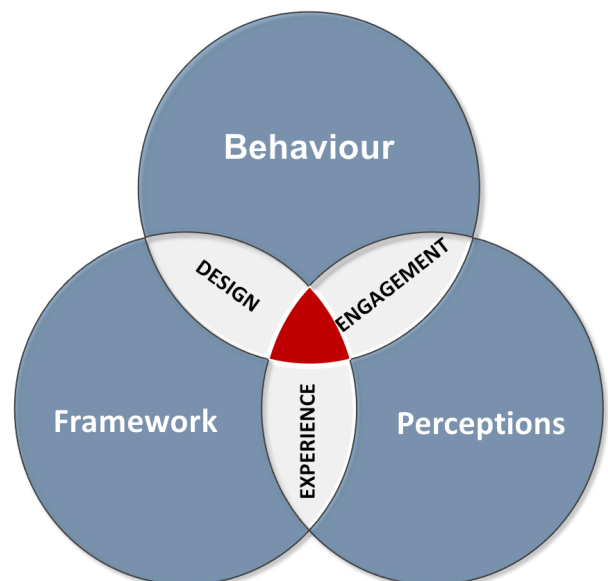
If you want to go deep on this, check out the RMIA's [Enterprise Risk Management Course](#) that I designed and run for them.

Perceptions

Do you know enough about how the business perceives the risk process and your framework?

Do you know if it is because of a bad experience or lack of any experience with the process? Not knowing is a problem and each problem needs a different approach to resolve it. A bad experience needs much more effort to overcome than a lack of any experience with the risk process. For those who have been burnt, they understand risk needs to be managed, they know they are doing it anyway and they are usually open to an interesting and non-complicated approach to formalising it.

The Problem with Frameworks



BEHAVIOURS

Perceptions are one thing, best intentions another. However, the proof is in the pudding and ultimately your job is to ensure the right behaviours predominate and inappropriate behaviour is weeded out. Good framework design is a must, so is a change in perception if perceptions are poor. What provides you with a lasting legacy is the right behaviours amongst management, staff, contractors and suppliers. I like the expression 'risk intelligence'; people taking risk with their eyes wide open and focussed on a clear and worthy goal.

Changing behaviour is not a role for the 'Lone Ranger'. You will need help. You will need Risk Champions embedded in the business, embedding good behaviours deep into the fabric of the organisation.

YOUR RESOURCES

There are two main models for a risk department to transform a business from box-ticking for risk management to utilising risk for improved decision-making and to drive performance. One is an 'in-sourced' model where you have a considerable team of risk advisors. The other is an 'outsourced' model where you rely on Risk Champions in the business. Of course, there is a blended option where you have a larger risk department and Risk Champions.

One of the greatest benefits of a team of Risk Champions is they will already have a view on the existing framework. They are a source of direct and frank feedback on what you have designed.

If you have designed a great risk framework and it is not rolled out yet, the tendency is to delve straight into broad implementation. The problem with broad implementation is that you can't easily control the first experience the business has with the framework. And their first experience is key. You win them or lose them for an extended period if you don't get it right. Risk Champions can help you control the experience and keep a finger on the pulse of the roll out.

Once you have given the business a good first experience, it is now time for full implementation. The more you can make their journey as easy and comfortable as possible and continue to show them the value proposition for risk, the keener they will be to embrace the process. Your team of Risk Champions will know best how to embed systems and processes to help ensure risk is part of business as usual. They will be aware of the impact of a lack of engagement and a lack of reinforcement of the value of risk for the business and they will want to avoid a wasted investment.

**Over 70% of respondents
have risk management
department staff of less
than five employees**

**– Aon Global Risk
Management Survey 2013**

THE ROLE OF RISK CHAMPIONS

What do Risk Champions do? They are your conduit to engage the business, to ensure the business sees and gains the value risk brings to driving success.

Risk Champions help you find out which blockers are operating in different parts of the organisation. Where the risk framework does not suit a particular part of the business and where the goals for the program should be achieved a different way.

They are there to identify and defeat poor perceptions and they are in the business whenever the business is making the big decisions, engaging with the business to drive excellence in decision-making. They are there when you can't be to say to business leaders "Hey, I think this is one we should stop and think about a bit more."

If you can develop a strong team of Risk Champions you can swiftly change the minds of management and staff to think of risk as vital rather than a compliance burden. You end up with staff, not just engaged with your risk program, they feel compelled to live in it. Ultimately, they help build a more agile organisation.

THE ROLE OF RISK CHAMPIONS



GROWING YOUR TRIBE OF ADVOCATES

Creating your team of Risk Champions is like building a tribe of advocates. It is a project itself. It requires planning and a bit of guile.

First you need to get the backing of the Executive, otherwise staff will be hesitant to give of their time. Staff are under no illusion that spending time on something that is not important to the boss is career-limiting. The Executive needs to both be saying that improving the management of risk is critical to the business and that they need to be seen engaging with the risk process. If you have not yet won over the Executive you may well have your hands full, so please have a read of my paper '[Persuasive Advising](#)' to garner the support you will need.

Next think about the makeup of your tribe. The “sphere” of influence you want. In fact, it shouldn’t be a sphere, it actually needs to be more pear-shaped. That is, focused at the top on leadership and broader at the base, and juicy for staff. For example, if you have risk specialists in the business that you have been working with for some time yes, they need to be in your tribe to work across the broad base and to deliver the juice. However, you also need carefully selected influencers that are business savvy to understand what is best for you and their business and senior enough to deliver the message effectively.

Once you have identified your tribe members you need to create a support framework for them. One that nurtures collaboration amongst the tribe, challenges them and helps them develop creative solutions to drive the outcomes you and the business are seeking. Where management understands the challenges of managing uncertainty and where the business is capable of taking on more risk. And when appetite or capability is lacking, they pull back.

This last bridge crossed leads to real business value the C-Suite and Board will appreciate. It will ensure you have built something that will last.

A FINAL WORD

When you are building your tribe always remember the three Es. In order to ensure strong collaboration, you will need to focus on how best to **Engage** them. When you set challenges, focus on what is most likely to **Excite** them. And above all, make sure the tribe **Enjoy** themselves. Create the right environment and facilitate with the three Es in mind and you are most likely to end up with a high performing team.

If you think about it, what you need to do is what your favourite teacher used to do. The classes that you remember most were the ones when you needed to collaborate to tackle the challenges set by developing creative solutions with your classmates. You were engaged, excited at the prospect of taking on the challenge and you enjoyed the process of creating your solution.

And if you want help with that, please get in touch. There are not too many things in this world I enjoy more than taking a group of newly enrolled Risk Champions and turning them into a Tribe of Advocates. Turning perceptions of the risk function from the “Department of No” to the “Department of Grow.”

RISK CHAMPIONS TRAINING

My training and engagement programs for risk professionals and their teams of Risk Champions are each tailored for the unique circumstances of your organisation. My programs each have 90-day implementation plans that may be supported by ongoing coaching to ensure the difficult challenge of ensuring lasting organisational change is achieved and maximises the value of the training investment.

ABOUT BRYAN



Bryan is a management consultant operating since 2001. He is a specialist in risk-based decision making, strategic leadership and strategic planning born from his more than twenty years of facilitating executive and board workshops. Bryan's experience as a risk practitioner includes the design and implementation of risk management programs for more than 150 organisations across the public, private and not-for-profit sectors. Bryan is the author of **DECIDE: How to Manage the Risk in Your Decision Making**, a book for strategic leaders who wish to minimise the time taken to get to the right decision; **Persuasive Advising: How to Turn Red Tape into Blue Ribbon** that teaches you practical methods to cut through with your advice and make the impact you want to make; and **Risky Business: How Successful Organisations Embrace Uncertainty (#1 Amazon Best Seller)** that is a guide to the most successful way to design and embed an effective risk framework.

Bryan also authored the Australian Government's Risk Management Benchmarking Survey for more than 120 Government agencies from 2002-2005, lectured in the Principles of Risk Transfer in the Masters in Risk Management program of Monash University from 2002 – 2006 and designed and delivers the Risk Management Institute of Australasia's flagship Enterprise Risk course since 2019.

Bryan has assisted clients across all sectors including:

- Australian Government agencies such as the Departments of Foreign Affairs, Environment, Finance, Industry, Defence, Health and Social Services.

- State Government Agencies Fire and Rescue NSW, NSW Police, NSW Health local health districts, TAFE and the Victorian Department of Health and Human Services.
- Not-for-Profit organisations such as AWI, Cancer Council Australia, CBM, Cerebral Palsy Alliance, HCF, IRT, QSuper, Ronald McDonald House Charities, Uniting Care and Unitywater.
- Private Sector organisations such as Brisbane Airport, Brookfield Multiplex, Employers Mutual, FM Global, Downer, G&S, McConnell Dowell, Navitas, Pro Pac, QBE, Santos, Suncorp, Symbion, Weir Minerals and Xstrata.

Bryan was President and Chair of the Board of the Risk Management Institute of Australasia (RMIA) from 2013 through 2015, and is licensed by RMIA as a Certified Chief Risk Officer (CCRO).

Bryan is also a certified Virtual Presenter.

Bryan's **Consultant Profile** is attached. To hear first hand what Bryan's clients say about him, please check out this [video](#).

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