



A KISS (KEEP IT SIMPLE AND STRAIGHTFORWARD) PROCESS

The Risk Management standard ISO 31000 is a guide document. It has to be tailored to suit an organisation's specific needs. In many cases this tailoring is made more complicated and therefore onerous than is warranted. This brochure outlines the essential elements.

Management drivers for a simple approach

Managers (at all levels) are time poor and want a quick process that derives benefits to them in meeting their objectives as well as meeting Corporate requirements.

The requirements below are the absolute minimum that enable risk management. Managers at all levels are much more likely to properly implement a minimalist process that values their time.

This KISS approach is key to achieving the above drivers.

KISS requirements.

ISO 31000 requires a framework. A **Risk Breakdown Structure (RBS)** is ideal as it gives a common organisation wide approach to risk management, helps to precipitate thinking for workshop participants and enables risks across the organization to be "cut and diced".

ISO 31000 defines Risk as "*The effect of uncertainty on **objectives***" and hence objective(s) should be a key part of any process.

Risks need to be described. The guide to the older standard AS/NZS 4360 has a useful single sentence approach ie "*There is a risk that (something happens) leading to (outcomes expressed in terms of impact on objectives)*".

Analysis is required so as to prioritise risks (ie which to tackle first). Simply it is the Likelihood of a risk occurring and the Impact (on objectives) if the risk did occur. Impact may be measured in terms of objectives - a risk with a Severe Impact could mean that "most objectives cannot be achieved", Moderate "some objectives affected" etc. In this way objectives are directly part of the risk management process.

Treatments—what is planned to reduce a risk. There may be many Treatments for one risk and a Treatment may also benefit more than one risk.

Treatment owner. This is where most risk management occurs so each Treatment must be given to someone who is accountable for undertaking it.

Action or review date. When a Treatment is going to be undertaken or reviewed is essential to enable ongoing management.

So here's a challenge: How does this compare with your process? Could yours be simpler and still effective? The dividend is likely to be increased usage.

For more information including *Non-Essential Items* refer to the free eBook see www.risktools.com.au.

