



Shaping the Future of Risk

20/20 Vision

The art of Risk Intelligent Decision Making

Val Jonas
CEO Risk Decisions Group
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Agenda

- **INTRODUCTION**
Understanding decision making
- **RISK INTELLIGENCE (RQ)**
Taking the leadership on risk
- **20/20 DECISION MAKING**
Enabling risk-based decisions
- **RISK AS A POWERFUL FORCE FOR GOOD**
Engagement



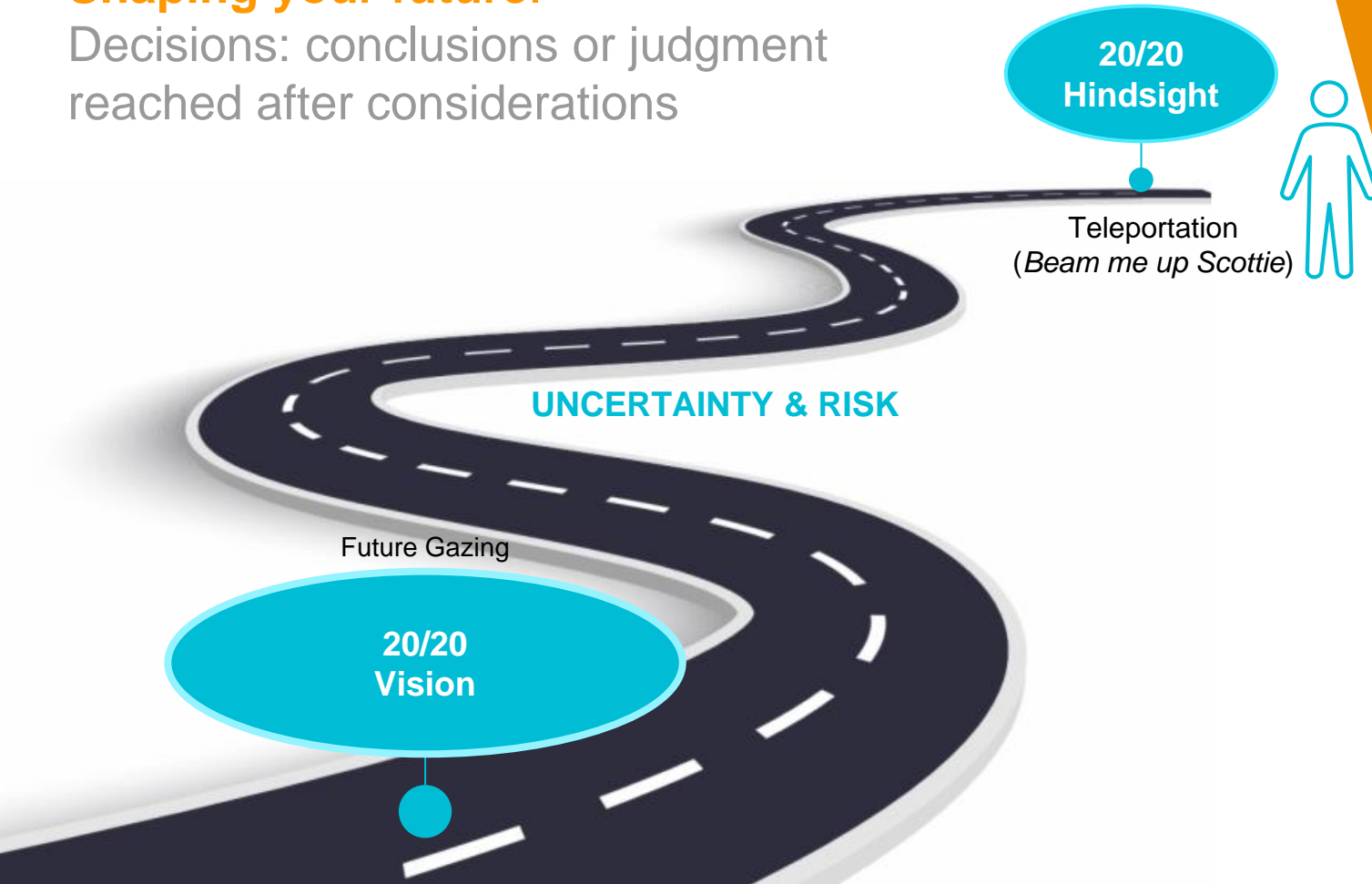
1.

Introduction

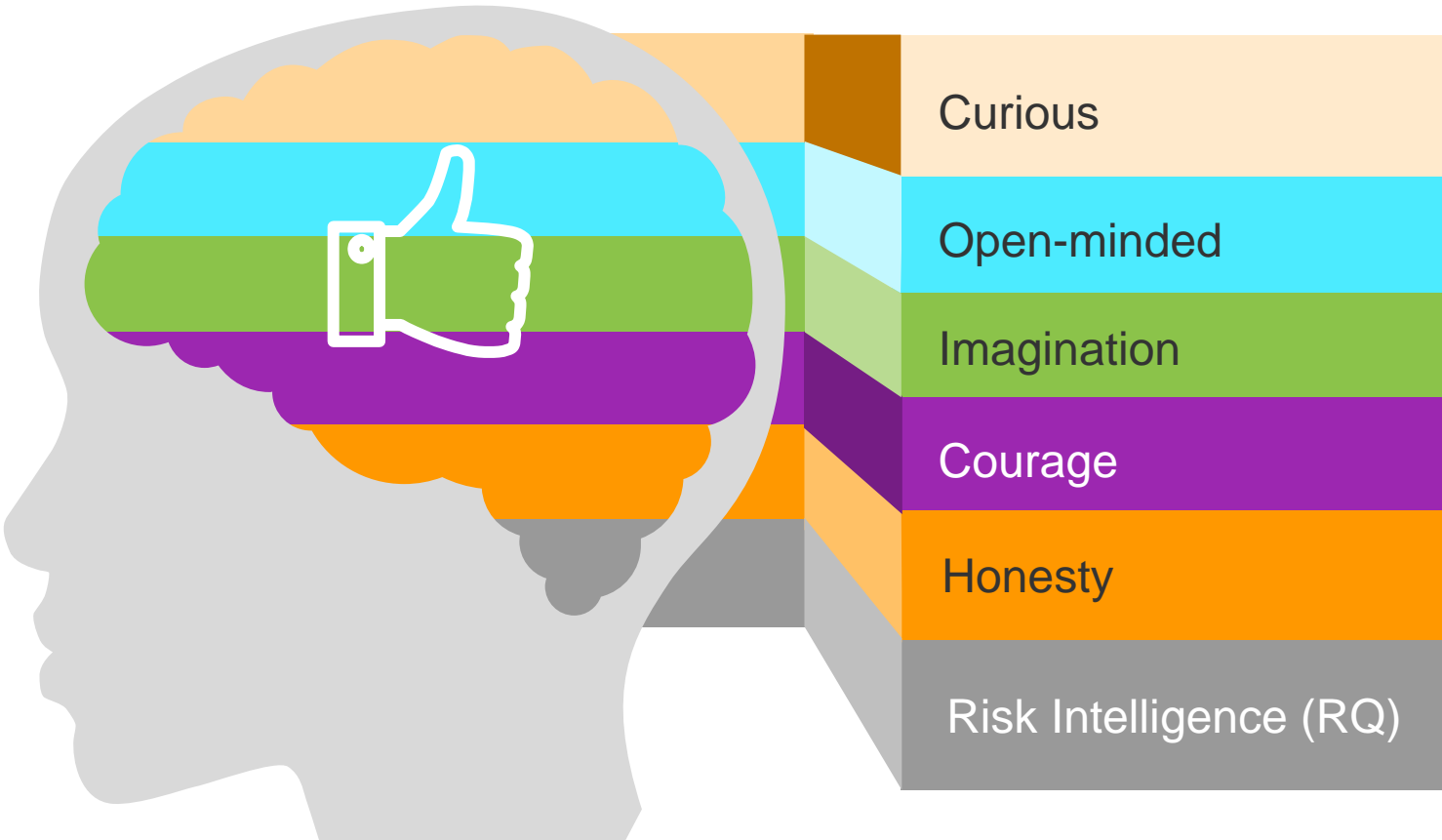
Understanding decision
making

Shaping your future.

Decisions: conclusions or judgment reached after considerations



Pre-requisites for a good decision-maker.



2.

Risk Intelligence (RQ)

Taking the leadership on risk

Introduction.

Taking the leadership on risk

“Life is inherently risky. There is only one big risk you should avoid at all costs, and that is the risk of doing nothing.”

Denis Waitley, motivational speaker

“There’s no such thing as a deterministic strategy.”

Andrew Pyke, Managing Director
Keyholder Pty Ltd



Chapter 1.

Does risk have a PR problem?

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

John A. Shedd, American Author and Professor

**"We need to celebrate
smart risk-taking, not
prevent it!"**

Emma Bradley,
GSK Consumer Healthcare



Negative words dating 1998 – 2007:



Positive words dating 2010 – present:



TIP

It helps to talk about
‘Risk’
rather than
‘Risk Management’

Chapter 2.

'RQ' and the Risk-Intelligent Leader

"Life doesn't always present you with the perfect opportunity at the perfect time. Opportunities come when you least expect them, or when you're not ready for them. Rarely are opportunities presented to you in the 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, (EO of YouTube)

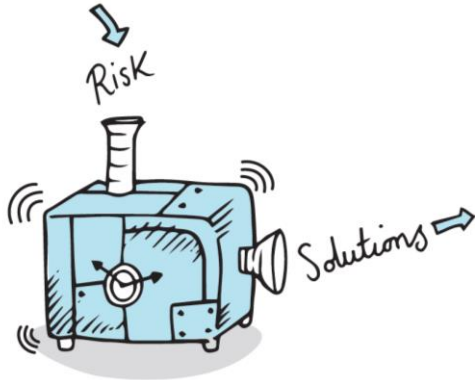


"Risk-Intelligent Leaders understand on a deep level the higher the risk, the higher the reward."

Horst Simon, Risk Culture Builder

**“Risk averse leaders actually
expose their organisations to risk”**

Pete Madsen, Bentleys SA



**“Risk averse leaders have ground
businesses to a halt, and that cannot
continue to happen. My favourite quote on
risk is ‘Safe is risky. Risky is safe’.”**

Emma Bradley, GSK Consumer Healthcare



Chapter 3.

Va-Va-Voom! Risk as a performance driver

“Some organisations have become risk-takers through necessity – societal pressure forces us to take more risks when times are hard.”

Liz Lee-Kelley, Cranfield University

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

Wayne Gretzky, Former Ice Hockey Player and Head Coach



"It's not about risk for risk's sake. There needs to be a willingness to explore alternate solutions, not necessarily always being committed to breaking the 'norm'."

Emma Bradley, GSK Consumer Healthcare



"When times are hard...we become more creative and innovative; those that don't, don't survive." Pete Madsen, Bentleys SA



"We're constantly asking our business people on the frontline what the real trends are in local markets so that we can identify real-time opportunities and threats."

Alvaro Medina, OHL



Innovation &
pivoting

Risk
The game winning
strategy

Planning, discipline,
management

Compliance
Allows you to play the
game

Control & resilience

Chapter 4.

The curious case of risk culture

"Take risks: if you win, you will be happy; if you lose, you will be wise."

Anonymous

"Risk culture is so different; You shoot for the moon and take the successes and deal with the failures."

“

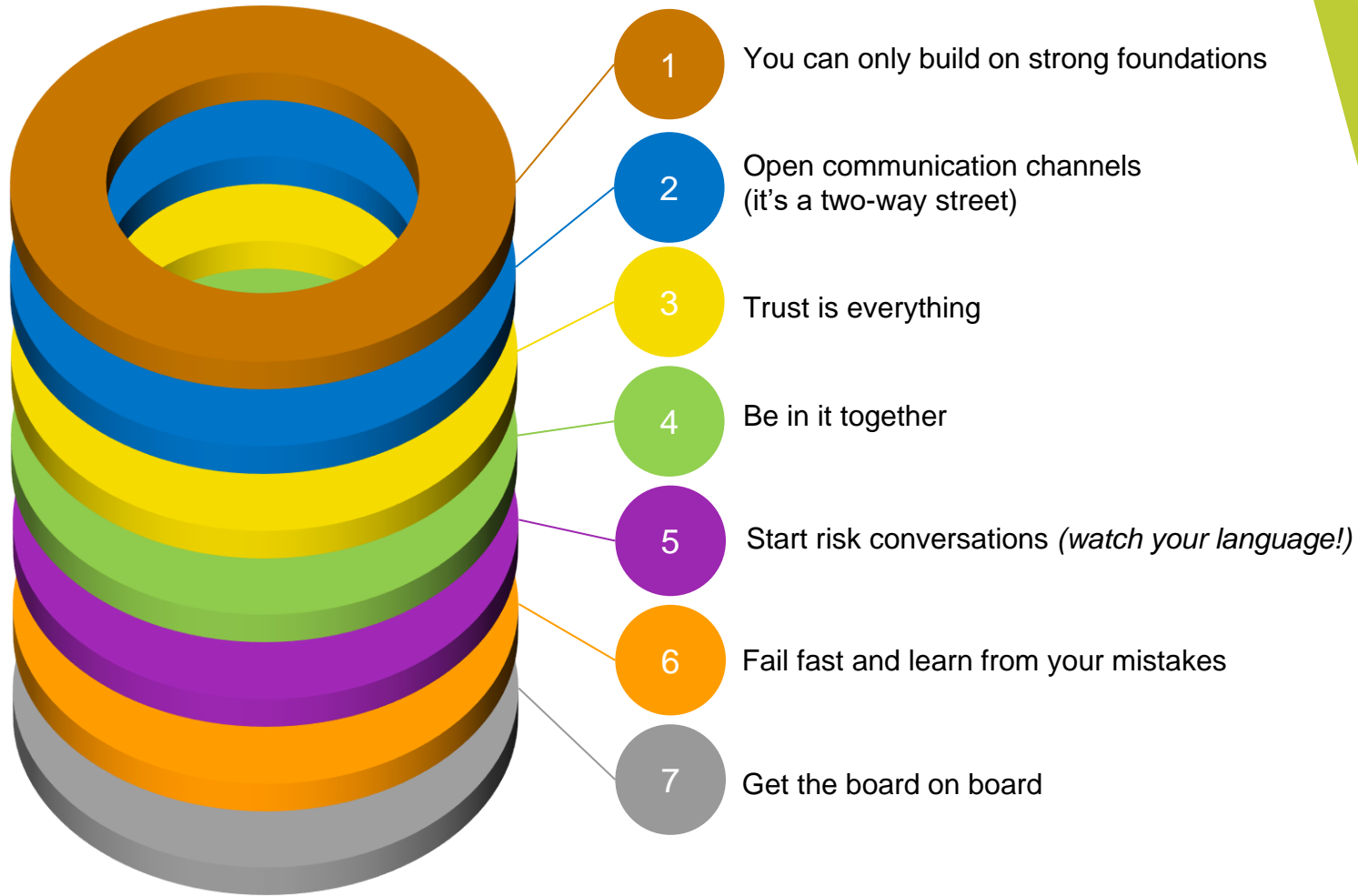
**Ask 'what didn't work',
NOT 'who' made the mistake.
Allowing for failure is essential**

Emma Bradley,
GSK Consumer Healthcare

”



7 Key cornerstones of a risk-positive culture



Conclusion

“The key thing is that no business can stay where it is. You have to take that leap of faith.”

Tim Fenemore,
Project delivery expert



“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



3.

20/20 Decision making

Enabling risk-based decisions

RQ: Shaping the future of risk



- **Set a Positive Vision for Risk**

- *Aligned with your company vision & values*
- *Owned by the executive board*

- **Develop your risk strategy**

- *Based on your company objectives*

- **Cascade to middle management**

- *Agree desired outcomes*
- *Good decision-making practice*

RQ: Decision making in the age of urgency

McKinsey surveyed 1200 managers across a range of global companies:



“Our research indicates that the quality and speed of decision making are both strongly associated with overall company performance.”

McKinsey
& Company

Source: <https://www.mckinsey.com/business-functions/organization/our-insights/decision-making-in-the-age-of-urgency>

RQ: Decision making in the age of urgency

The results reveal three foundational practices that support good decision making across every decision type.

% likelihood of being a winner,¹ by organizations' adoption of foundational practices



¹Respondents who said (a) that their organizations make high-quality decisions, (b) that their organizations make and execute decisions quickly, and (c) that their organizations see higher growth rates and/or overall returns from their decisions.

“Organisations that make decisions quickly are twice as likely to make high-quality decisions, compared with the slow decision makers.”

McKinsey
& Company

RQ: Decision making in the age of uncertainty

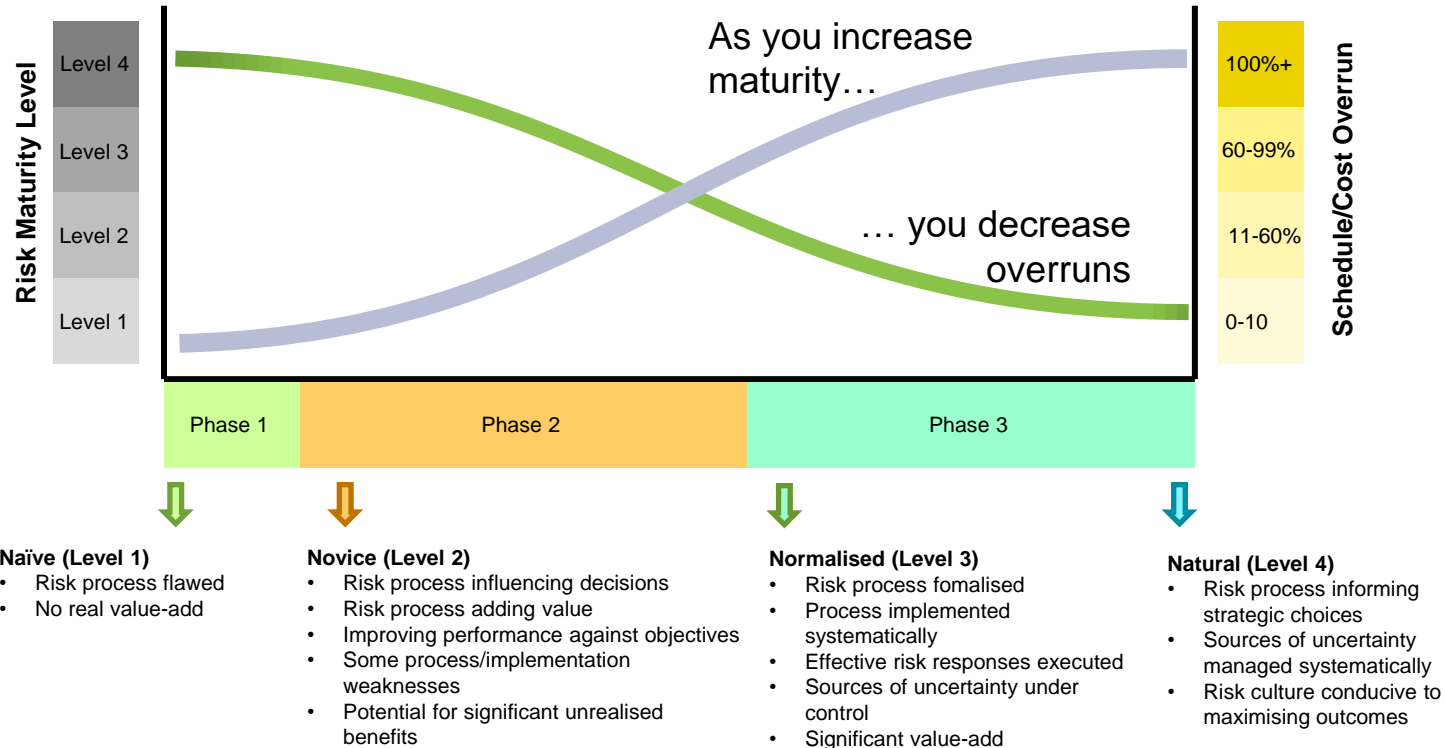
The extra dimension:
decisions
should be
Risk-based



RQ: Decision making in the age of uncertainty

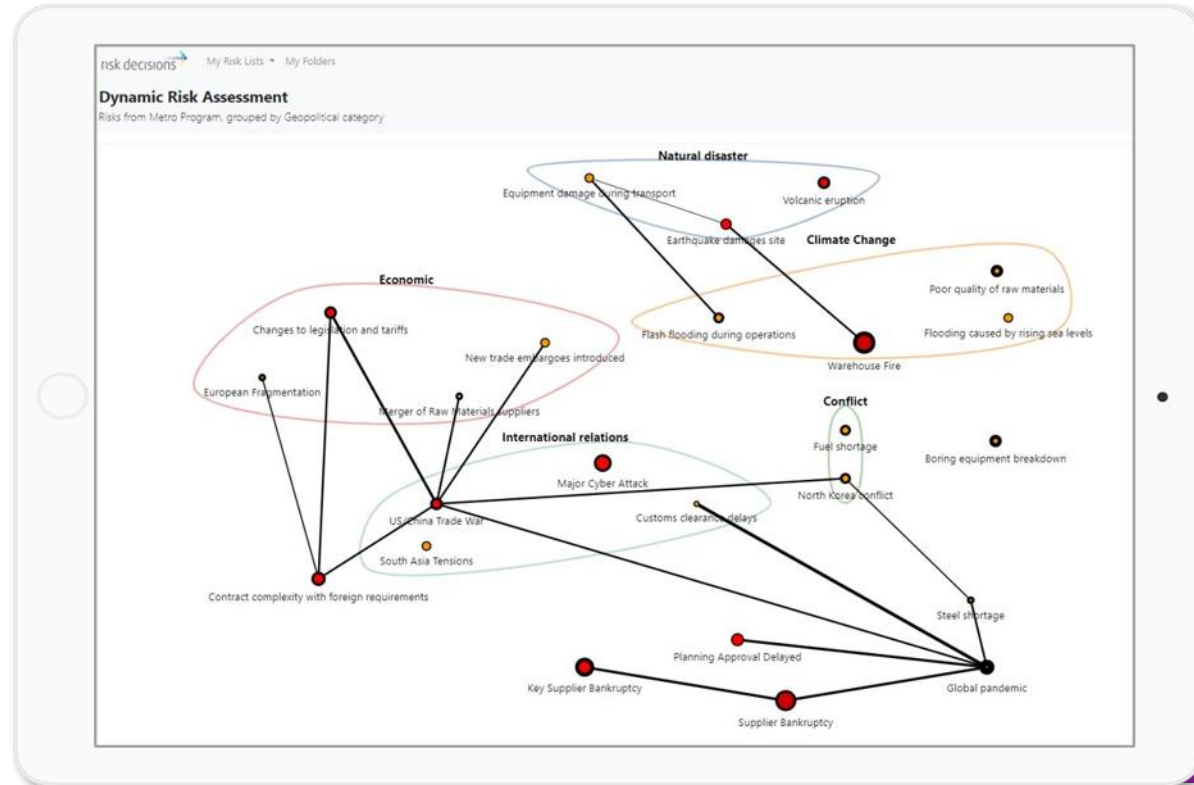
QRMM in Application Case Example 2

Example Transforming Programme – Benefits Realisation



Risk Intelligent Decision Making:

Digital transformation - visualisation



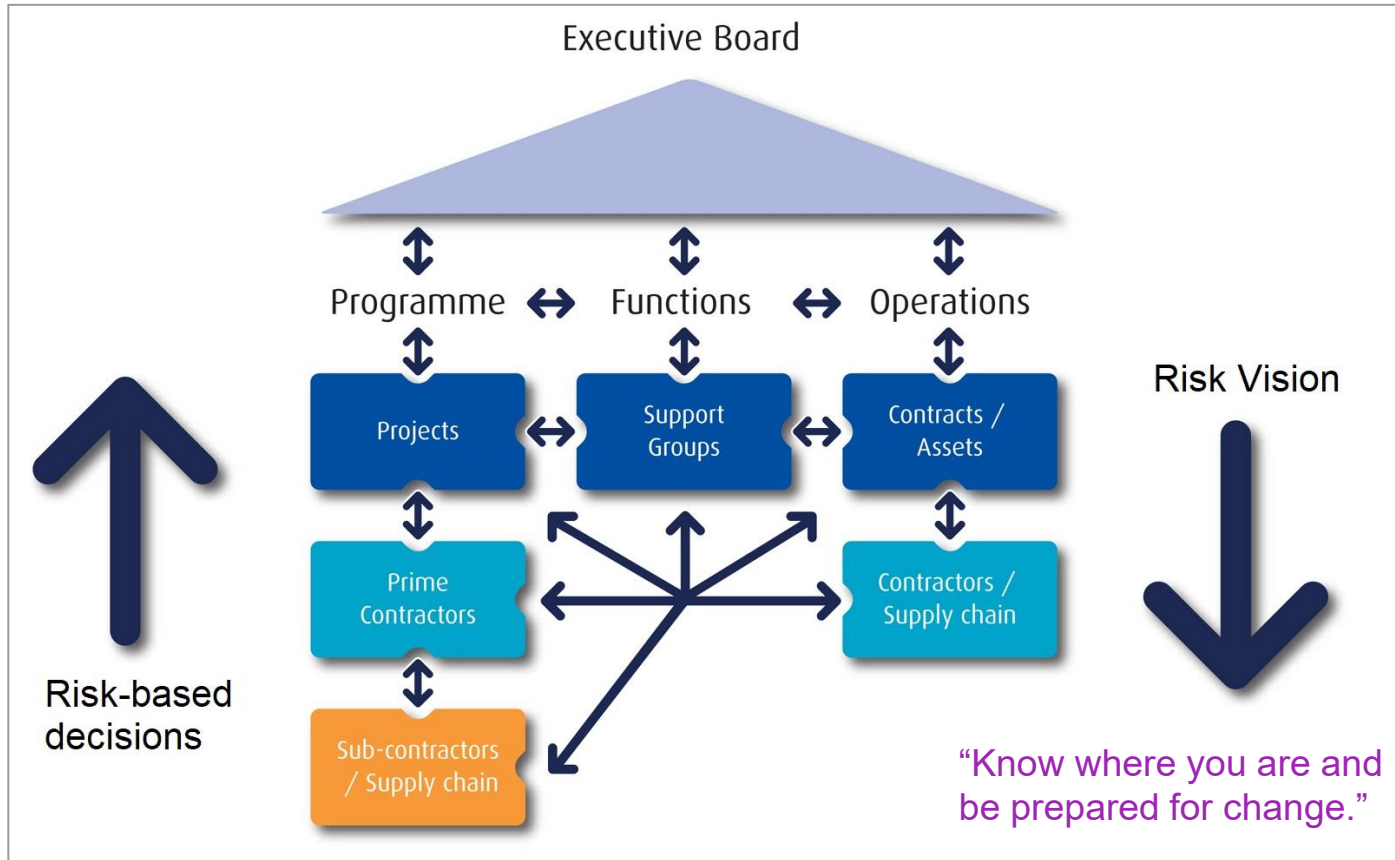
Risk Impact

Velocity

Likelihood

Manageability

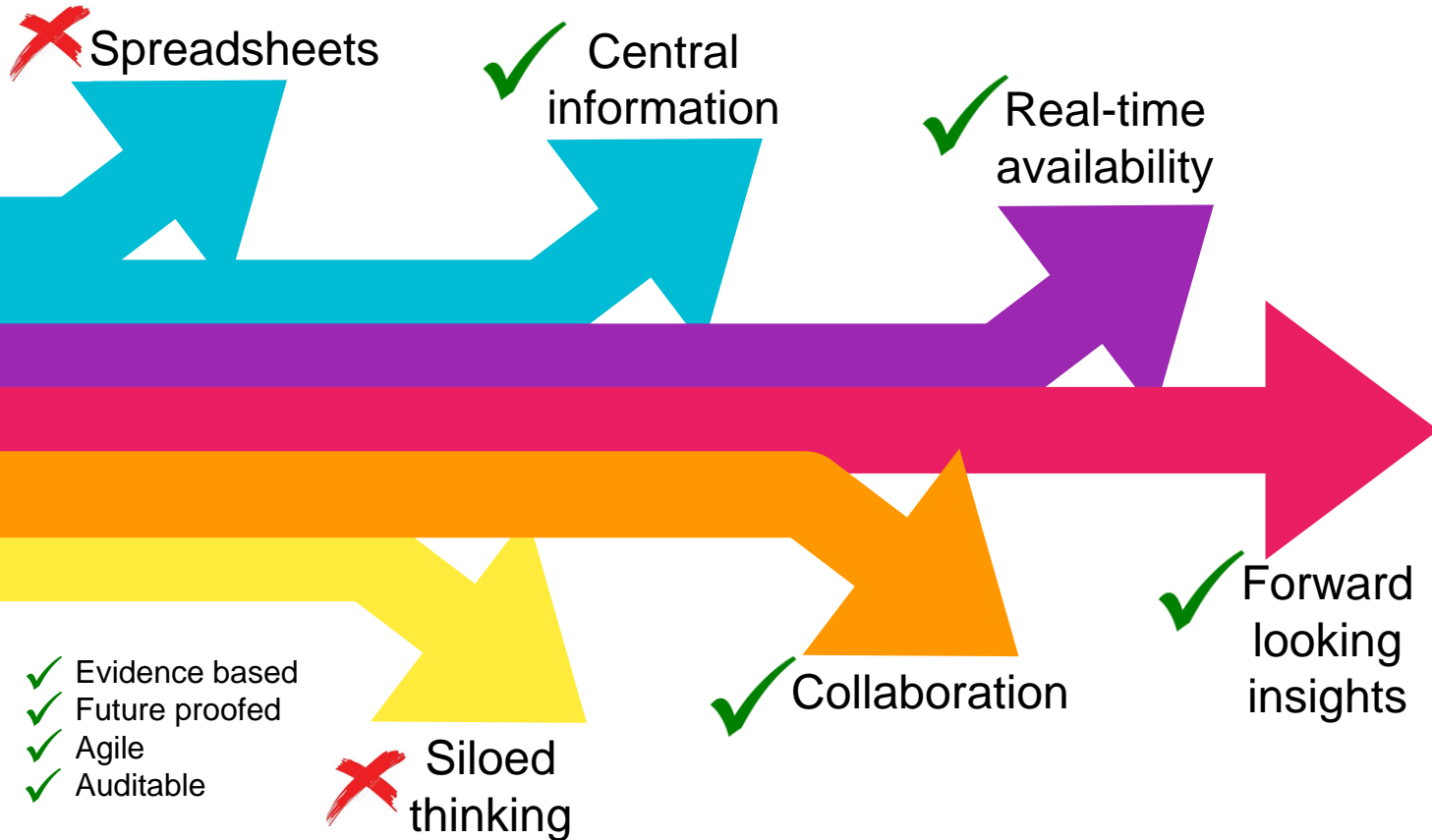
RQ: Risk decisions across the organisation



4.

**Risk as a powerful force
for good
Engagement**

RQ: Enabling risk conversations



RQ: Communication free-flow

Objectives
Risk Vision
Risk Appetite
Authority
Responsibility
Strategy



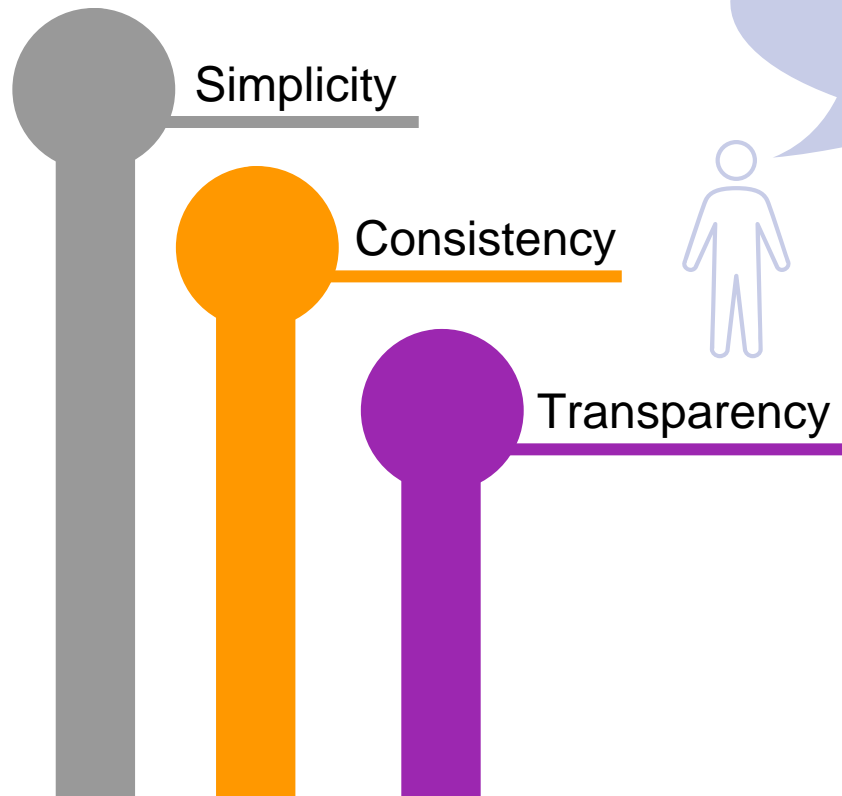
Big-hit decisions
& Strategic risk

Cross-cutting
decisions
& Significant risk

Delegated
decisions &
Tactical risk

RQ: Removing the barriers to engagement

Education



"We put a great deal of thought into how we coach our executive and management teams to lead their respective risk practices ... especially around effective communication."
Kirsty Coll, ASC Corporation



"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

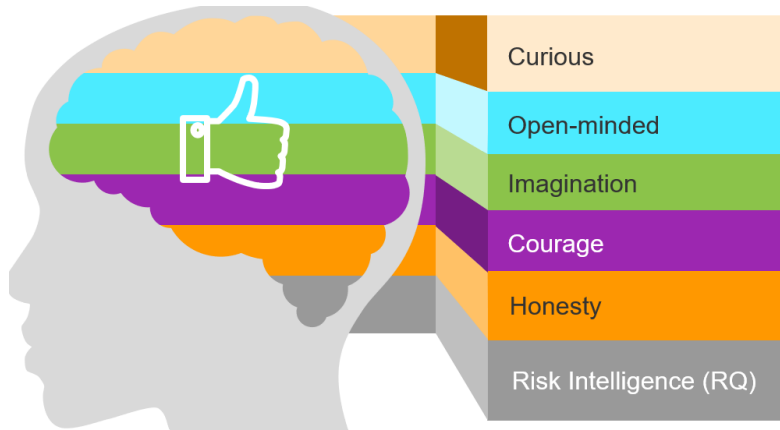


RQ: Risk Professional: the new hot job

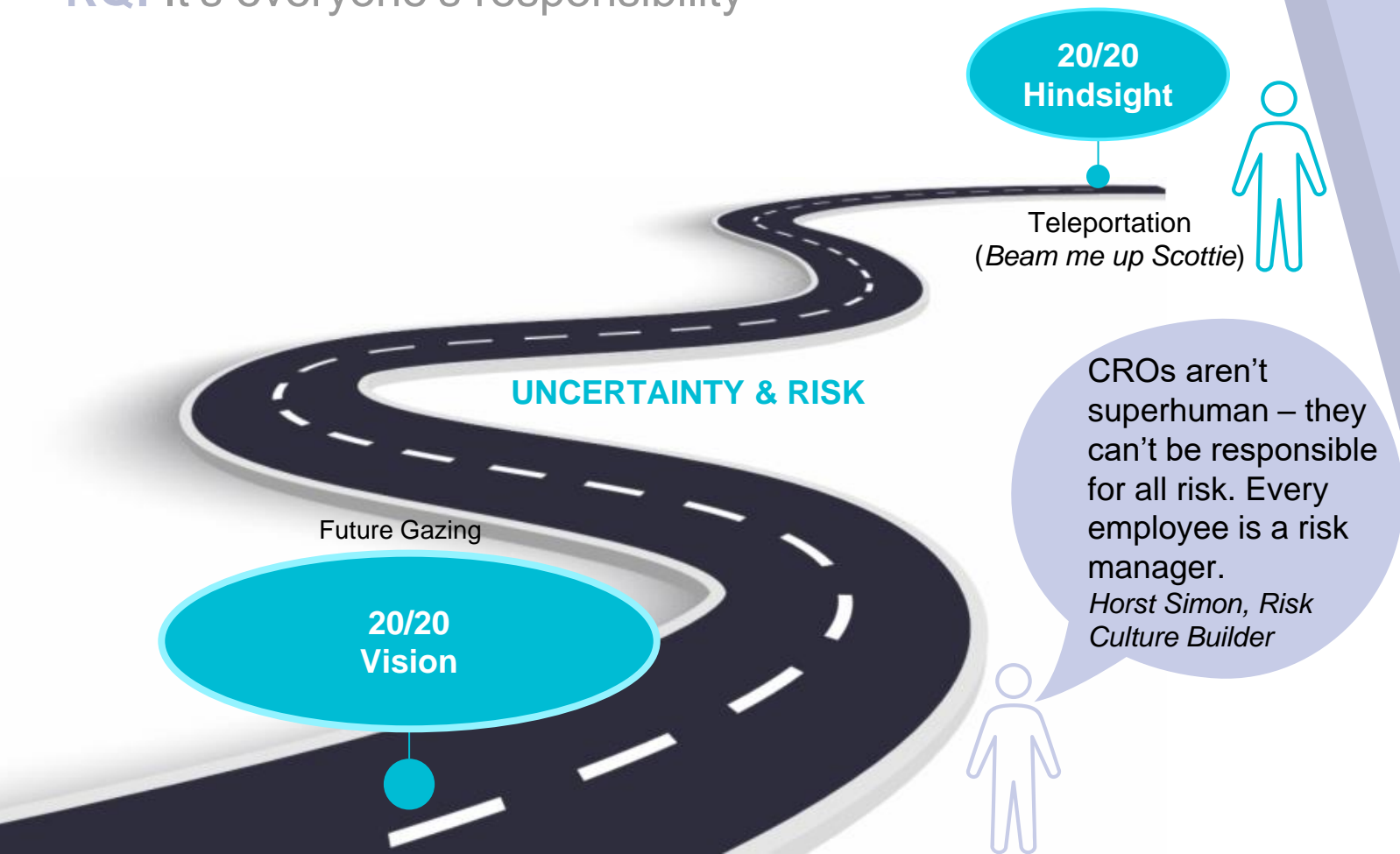
Risk Professionals are the enablers in these challenging times

- board room to backroom
- project, program and product to portfolio
- cyber attack to supply chain fallout
- balancing risk and compliance, resilience and innovation
- pivoting to a new 'normal'

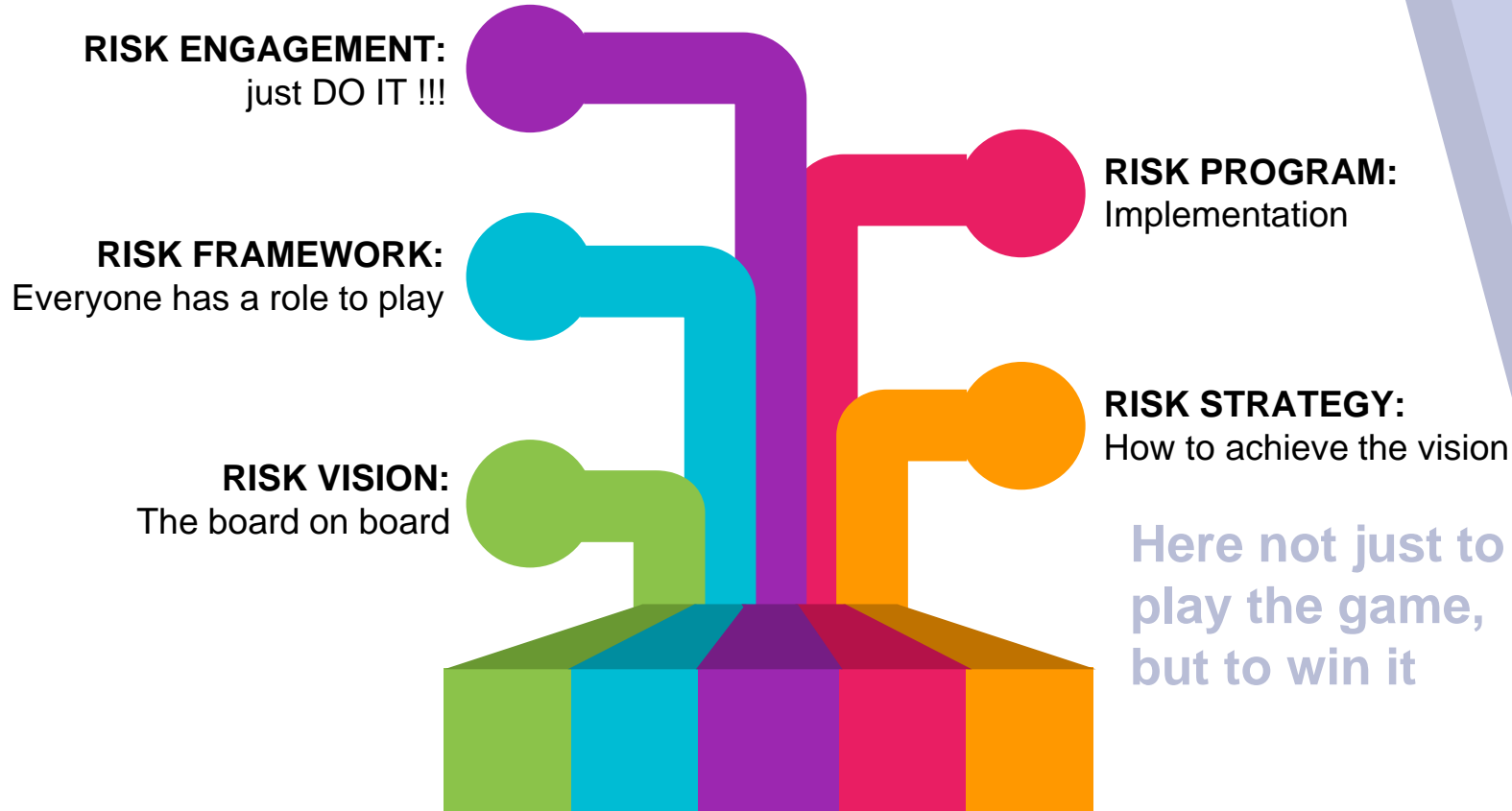
Supporting quality, speedy risk decisions



RQ: It's everyone's responsibility



RQ: The risk intelligent organisation



5.

Risk Decisions Group
Who are we?



**Stronger
Together**



Adventurous



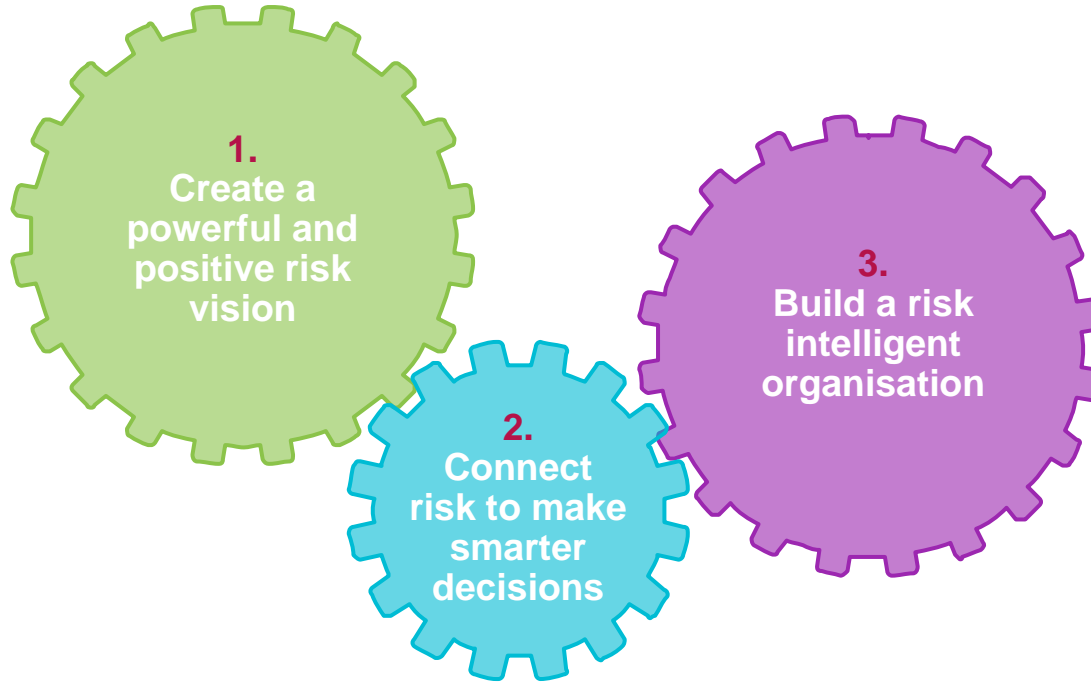
Considerate



Trusted

RQ:

We work with you to achieve great risk outcomes



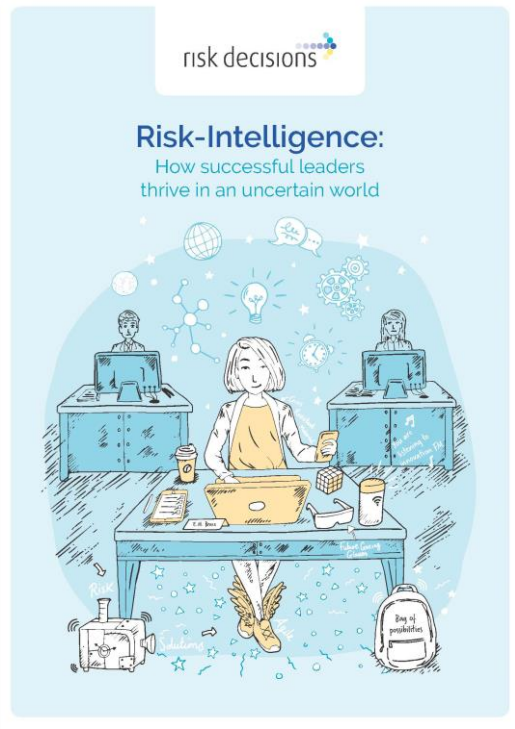
RQ: Choose Predict!

Beautifully simple risk software



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."



Thank you for listening

Go further with 20/20
vision – The Art of Risk
Intelligent decision
making



Val Jonas
CEO Risk Decisions Group
val.jonas@riskdecisions.com
LinkedIn: [valjonas](#)