

Pack up your risk controls in your old kit bag

A risk management parable



Facilitating an executive risk session, I made two points along the way:

1. over-controlling many risks can be as bad as under-controlling them, and
2. the main cause of risk realisations in practice is not the failure to identify the risk, but overconfidence in ineffective controls.

A participant asked if these were in conflict – one seems to suggest we need to keep our controls lean, the other that we need more?

My response was that it was a matter of quality, not quantity, and I used the analogy of an experienced hiker's rucksack to illustrate my point.

For most of us (non-Bear Grylls types) what we carry into the wilderness in our rucksacks can make the difference between an enjoyable hike and (at the extreme) life or death. In part, the stuff we pack can be thought of as controls for the risks we may experience on the journey. But, equally importantly, we have to carry this stuff on our backs. Too much and we will be weighed down to exhaustion and never reach our destination.

I routinely review registers of risk controls which are long lists of irrelevant or aspirational junk. They are neither lean nor effective. No one but a complete noob would stuff that mess into a rucksack and head into the outback.

Experienced hikers know to carefully choose their gear and won't just pile in any old stuff because it happened to be available. They also critically ensure that the things they do carry work, they know how to use them, and they get regularly checked or maintained. My 2020 article "Don't worry, we've got that under control..." talks about what I believe are the attributes of an effective set of controls. Sheer quantity is not one of them.

Thinking about hiking in a group allows us to extend the analogy to shared risk. Sharing risks with partners offers opportunities – "I can carry a first aid kit that we can all use." It also brings complexity and the need for good communication – "Oh no, I thought you were

bringing the first aid kit!" Implementing controls for shared risks brings similar opportunities and complexities.

So, what's the parable?

Next time you are designing, documenting or reviewing the controls for a risk, think like an experienced hiker. Pack carefully considered, contextually relevant, good quality and reliable gear as your life may depend on it, but always remember you'll have to carry it.

v1.1, originally published May 2022.

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