What makes a great risk manager?

Characteristics and traits of successful risk managers

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It is fair to say that the role of the risk manager has changed radically in recent years. With a move away from a tick-list mentality to an awareness of true risk management, the perception of risk managers has altered. In particular, enterprise risk management has developed from an academic concept into an important business framework with a requirement for risk managers to show leadership and advanced communication skills to achieve success both for the business and in their own careers.

It is no longer sufficient for risk managers to identify a set of risks and file them in a risk register or individual spreadsheets. The days of siloed risk management are passing and there is now a demand for the integration of risk management across enterprises, operations and projects and the effective communication of risks and opportunities for informed strategic decision making. The need for skilled risk professionals is becoming increasingly important.

However, it is also fair to say that few children grow up with an idea that they want to become a risk manager. So why do people get involved in risk management as a profession and what characteristics are required to become a successful risk manager?

What makes a great risk manager?

Active Risk has launched a major new survey of risk management professionals to discover the personality characteristics and traits of those involved in this changing role. This unique research is being undertaken in Europe, North America, Australia and the Middle East to provide a deep knowledge pool and to highlight regional differences.

Risk managers will be invited to take part in the research by completing an online confidential DISC psychometric survey. DISC is one of the most widely used personality profiling methodologies and has been utilized for many decades to analyze workplace job profiles and traits. Early survey responses from a small test group of Active Risk customers, has indentified two contrasting personality types enjoying success in the area of risk management. The full survey is expected to attract hundreds of responses from across the world. The full results and analysis of the research will be published in autumn 2011.

What makes a great risk manager?
To complete the questionnaire, go to:
www.activerisk.com/survey

In addition to the survey Active Risk will be collaborating with leading risk practitioners from its customer base to publish a series of white papers throughout 2011 discussing key elements of the research findings.

The role vs. the goal of a risk manager

In discussions with the initial test group of survey respondents a topic for further debate has already arisen. What is the difference between the role and the goal of a risk manager? The role of a risk manager is about activity carried out on a weekly, monthly, quarterly and annual basis. While there are numerous differing opinions on the various aspects of the role of risk managers, there appears to be a consensus emerging around the main goal of risk managers if they are to be successful in meeting emerging challenges.

The risk process – a telescope into the future

The primary goal of a risk manager should be to be the person in the organization who always focuses on the future and uses this perspective to influence strategic decision making whether it is across a project, operation or enterprise. This involves the ability to instil into an organization the need to think about the future while the organizational instinct will be to deal with the operating pressures of today. Only with this state of 'perpetual sense of future' can decisions be made to benefit

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progress within the organization, operation or project.

So how is the risk manager's primary goal of looking to the future to improve decision making achieved? The answer lies in the implementation of a risk process to enable people to participate in information collection and sharing in a systematic way. The process becomes a lens through which today's events and emerging trends are viewed to help see the different potential futures. A robust risk process will allow the identification; analysis and mitigation of risk but more importantly it will enable conclusions to be arrived at based on analytical discussion about what might happen in the future.

Given the changing and diverse nature of risk management it is hard to predict the likely outcomes of the forthcoming survey. However, with the first results in, the emerging characteristics of great risk managers include good communication skills, flexibility, persistence, the ability to influence at all levels, balance and, on occasion, the need to be brave and risk failure itself. There is no doubt the final results will be interesting and intriguing.

Emerging characteristics of great risk managers

If you work in the risk management discipline and would like to participate in the survey visit www.activerisk.com/survey. You will receive a personalized profile report and a copy of the full results later in the year. You can also sign up to receive our "What makes a great risk manager?" series of white papers. ■

Peter Robertshaw is VP Global Marketing at Strategic Thought Group. Prior to joining STG he held a similar role at Swedish ERP player – IFS. Peter spent 12 years at software giant SAP in a number of roles including consulting, product management and marketing. Peter is also a Director of BASDA , the UK software trade body and chairs its Marketing special interest groups.

How to suffocate a contractor

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able in electronic format, the Contractor can copy and paste the originally specified specification section and add the deviations in different color.

The last recommended good practice is to adopt what is known as "Informal Submittal Review" where the Contractor will prepare the required submittal but have it reviewed informally by the Consultant. This will allow the Consultant to provide his comments so the Contractor can modify his submittal and ensure that swift review and avoid wasting time and effort on multiple review cycles.

Of course, good submittal review practices are not limited to those six listed practices. Organizations across the globe understand how critical this process for their project successful delivery. All project stakeholders, without exception, must take a proactive role in planning, executing, monitoring and controlling the submittal review process. Unlike other project delays, delays in material procurement are very hard to recover delays and carries very high cost when one tries to accelerate. Unlike construction activities, delayed procurement activities cannot just be recovered by working extended day hours and weekends or bringing additional resources. Accelerating procurement process, if possible, would require paying premiums for rescheduling other orders, extended working hours, air freight instead of sea or land shipping among others. In addition, delaying placement of orders could result in delays that could far exceed the amount of delay in placing orders as plants could be subject to scheduled summer shutdown, or could be subject to weather conditions such as snow and ice which could hamper getting the raw material such as marble or sea shipping as water pathways could be frozen.

In conclusion, contractors, project owners, project managers and consultants need to manage the submittal in a comprehensive and proactive way to avoid harming the project and could very much result in its failure. ■

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