

# Risk Management



## **Risk Identification & Analysis for Engineering Projects**

### **Managing a Risk Analysis Workshop**

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# Managing a Risk Analysis Workshop

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## Some tips to facilitate a successful Risk Workshop

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## Phase 1 – Pre Risk Workshop

Preparation is the key thing at this phase of process both for yourself as well as the prospective attendees. However your challenge as a facilitator is to lead all required preparation actions for everyone. Actions may include:

- Develop your relationship with attendees as early as possible. Try to meet everyone individually if you can. If not, try to call them over the phone. Last option would be an email but absolutely it should be the last option.
- Fully understand the key objectives of the risk workshop – running a strategic risk workshop at the Business Case stage has a totally different objective to running a quantitative risk workshop to assess cost contingency for a EPC bid submission
- Brief yourself with existing information including Risk Management Policy, Framework, Guideline, Risk Register, Organisational Chart, Project Management Plan (PMP), etc.
- Through your meetings/conversations with individuals try to capture some risks and opportunities and their expectation of this exercise. Share these with the team and get their comments/inputs/views prior to the workshop.

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## Phase 1 – Pre Risk Workshop (continued)

- Consolidate all captured information into the Risk Register and then share it with everyone prior to the workshop. My recommendation, do not walk to a risk workshop with a blank risk register. Lead the conversations!
- Identify and plan for potential attendees with dominant personality. You need to manage these people during the workshop.
- Be aware and plan for risk of group thinking i.e. let's follow the others, they know more than me!
- Arrange for having a proper room for workshop e.g. enough light (natural if possible), right temperature, right size, etc.
- Arrange for proper furniture layout to support group discussion e.g. round tables
- Number of attendees – I usually prefer not having more than 10-15 people
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- Plan to have someone to support you during the workshop by taking notes, playing with slides, etc. – believe me you have lots of other things to do on the day.

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## Phase 2 – During Risk Workshop

- Invite people to sit around the room rather than letting them sit at the back or setting in sub-groups
- Proper introduction, clear objectives, time schedule for the workshop including breaks, key facilities, safety items, etc.
- Have a short presentation for project scope, its current status, risk management process, project specific requirements, objectives of the workshop, agenda, etc. – 15-30 minutes
- Make sure you have short breaks periodically to refresh the group
- Focus on top risks first then low risks – also consider very low probability risks with high consequences
- Do not spend too much time on one risk. Remember, a lot of details need to be discussed off-line. Allocate a responsible person/s for further discussions off-line and move on.
- Try not to read from risk register word by word. Facilitate the group discussions rather than reading and filling the register.

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## Phase 2 – During Risk Workshop (continued 1)

- There are different ways to identify the risks and opportunities e.g. PMI's Risk Work Breakdown Structure. Plan for your approach and be consistent during the workshop.
- Use available time during workshop for risk identification and high level analysis. I suggest detailed risk analysis, evaluation and treatment discussions should be done with individuals or smaller teams out of workshop.
- Differentiate between “**Issues**” and “**Risks**”. Capture the “Issues” but document them in a separate “Issues Register” and move on. Ask “is this an issue?” and explain that “an issue is a certainty and a problem for us today but a risk is an uncertainty and a potential problem for us tomorrow”.
- Ensure that there is a verb included in the risk definition.
- Ensure that an owner is assigned to every risk for future follow up before ending the risk workshop. Also add the due date of following action.
- Consider both internal and external risks. For external risks, focus on the consequences; for internal risks, focus on the causes.
- Keep the tempo of the workshop by summarising and managing discussions

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## Phase 2 – During Risk Workshop (continued 2)

- When summarizing the discussions, use their words if possible. Remember you are doing this for them, so they need to read and understand the note later not you.
- Don't get into detailed more than what is needed. As a facilitator, your job is to lead participants through a process of group knowledge capturing.
- Be aware of your positive body language: looking at participants when they are talking, use of your hands to aid your presentation, smile, etc. – yes, these are important for risk workshop facilitator too!
- Remember there is no “right” or “wrong” in the risk management world. I usually tell people “risk workshop is the best opportunity for us to disagree”. In every other meeting/workshop we discuss to achieve a common point of view. In risk workshops we have the opportunity to disagree! That's great.
- Compliment, then comment. You should appreciate their contribution because these contributions will make you a successful facilitator.

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## Phase 2 – During Risk Workshop (continued 3)

- Remember “facilitation” is different with “teaching”. As a facilitator you are there for them to manage flow of information in many different directions.
- Be aware that different people have different learning and engagement styles i.e. hear only, see only, hear and see, hear and talk and see, hear and see and talk and do. Try to know your audience and plan for appropriate way of facilitation for them.
- Use humour! If you don’t enjoy your risk workshop, it’s very likely that no one else is!

## Phase 3 – Post Risk Workshop

- Have follow up sessions with individuals after the workshop as early as possible
- Discuss, evaluate and further develop the Risk Register then communicate it with the whole team
- Circulate the updated Risk Register to everyone for review and comment (no later than a week)
- If a quantitative risk analysis is undertaken, a short group meeting is also recommended to share the draft results and its assumptions (including key risk drivers) with the team before you finalise the assessment.



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## CONCLUSION

Everyone is busy these days, so a better balance of time allocation between these three phases will definitely increase the likelihood of your success in achieving risk workshop objectives for the team. Remember it's all about the values delivered to the team for their decision making process, not just about the benefits of running a risk workshop.

There is no secret formula for being a successful risk workshop facilitator. We all learn every time to do things better. You need to find your own way of running a successful and enjoyable risk workshop. If it's not fun for you to be there, it's likely that it's not fun for others to attend too.



*Good luck with your next risk workshop facilitation and enjoy it!*

*Pedram Danesh-Mand*

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## A Risk Workshop Template



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## Risk Workshop

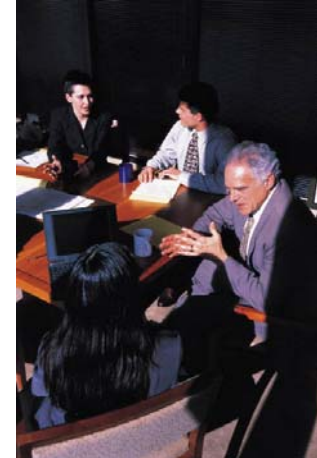
Date: .....

Participants: .....

Facilitator (usually the Project Leader): .....

## Workshop Goals

- Discuss the project context
- Reduce the number of unknowns in the project (use assumptions)
- Identify risks for the project
- Rank the risks
- Assign owners and due dates for developing mitigation plans for the top risks
- Prepare to communicate the risks & mitigation plans to the team & stakeholders



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## Workshop Agenda & Method

- (5 mins) Project leader gives a brief **overview** of the project goals, scope, and team members (as far as is known at this stage).
- (15 mins) Everyone works **individually** to capture as many risks as they can think of. You can use the **risk categories** below to encourage wider thinking.
- Display the risk categories on the **projector screen, a whiteboard, or a wall poster**.
- Each person gets a stack of **post-it notes** and a pen, and writes one risk per post-it notes.
- Everyone posts their risks onto the whiteboard or wall under the appropriate category headings.
- For multi-location workshops, assign a scribe (ideally someone you have brought in for the purpose, rather than a workshop participant or yourself) to write everything down on a Confluence page and share their screen with all locations. The project lead reads out all the risks, removing duplicates along the way.



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- (5 mins) Project leader asks the team "Are there any **high impact risks** that we haven't thought of yet"?
- Usually people will be inspired by other people's risks to think up some new ones
- (10 mins) Project leader asks "What is **the one risk** we can't afford to have happen? ... even if we screw up everything else, what can't we allow to happen?"
- Expect a bit of debate; you don't need to reach consensus, the idea is to get an indication of the top 3 or 4 risks out of the list.
- You can use a simple voting system to provide some structure - e.g. assign 5 coloured stationery 'dots' to each person and ask them to put a dot on the board/wall next to the 5 risks they consider highest probability & highest impact.
- To be more rigorous you can assign "probability" and "impact" ratings to calculate the score for each risk (see the Risk Register). This can take some time with a large group, so you may prefer to do this after the workshop.

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- (20 mins) Project leader asks "What are the biggest risks from the **perspectives of our stakeholders?**" This is a creative way to flush out additional risks that you wouldn't normally think of.
- Break the group into small sub-teams and assign one stakeholder to each sub-team.
- Give the sub-teams 10 mins to brainstorm the risks they think their assigned stakeholder would see. Each sub-team presents their results back to the group.
- If you have time, come up with some **mitigation plans** for the highest-scoring risks, or at least walk through some example mitigations.
- Assign an **owner and a due date** to each high-scoring risk. Each risk owner must develop a mitigation plan and provide it to you by the due date for incorporation into the Risk Register.
- Make sure you **share the results** of the workshop with the entire team. Highlight the **top 5-7 risks**, including **mitigation plans**, with your **key stakeholders**.

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## Risk Identification & Analysis for Engineering Projects

### CONCLUSION

