



Risk Management

The enabler for strategic decision making

Programme Performance Leaders

Risk Management

The enabler for strategic decision making

contents

1	executive summary
2	introduction
3	risk management as an enabler of strategic decision making
5	strategic decision making
9	critical success factors
18	conclusion

executive summary

The imperative for business change and public sector reform continues to gather momentum – fuelled by a better-educated and more demanding populace, a rapid expansion of technological enablers, improved access to capital and a more competitive business environment generally. As a result, programme and project management (PPM) is becoming increasingly complex.

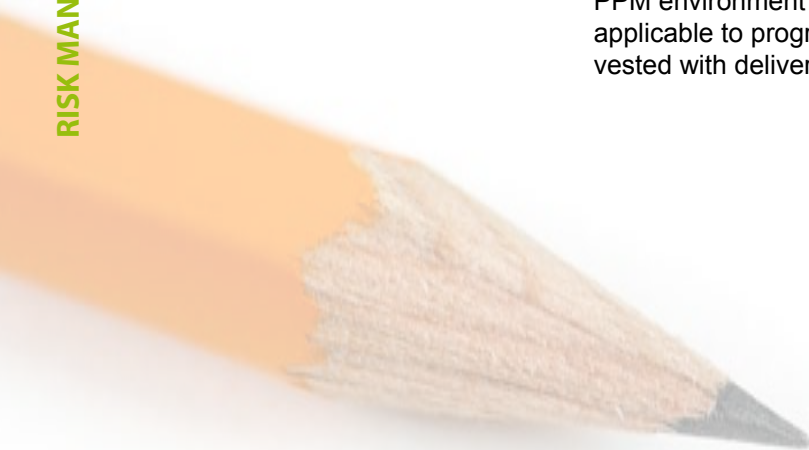
Managing risk and the ability to reach timely and effective strategic decisions are, as a consequence, more challenging. In order to enable sound strategic decisions in this more complex operating environment, there is a requirement to manage risks in new ways that stretch beyond conventional approaches.

'Traditional' risk management tools and techniques are likely to be well known to you and we make only brief references to them in this paper. Whilst we recognise that such tools and techniques are important we believe that it is now necessary to look beyond such areas.

This paper identifies four critical competency dimensions that can be addressed to improve an organisation's risk management capability – and hence its ability to make sound strategic decisions:

- **Opportunity leveraging:** developing a mindset that quantifies and exploits opportunity
- **Scenario planning:** using business environment models to develop courses of action
- **Empowering teams and partners:** developing the people, culture and organisational behaviours to mitigate risk across the entire delivery 'network'
- **Timeline analysis:** deploying strategic resources at the optimal time.

We further explore some of the challenges faced when making strategic decisions and offer some ways to overcome some of the pitfalls in the decision-making process. We also offer some decision-making frameworks which we believe are appropriate to the PPM environment and, therefore, applicable to programme leaders vested with delivery responsibility.





Moorhouse Consulting is committed to sharing our knowledge and improving the quality of Programme and Project Management in the UK. As part of this commitment we have produced several publications and articles on topics such as Programme Leadership, the DNA of Successful Programme Delivery and Stakeholder Management. For these and more, visit our Knowledge Centre at:

www.moorhouseconsulting.com

or email paulaallerton@moorhouseconsulting.com

November 2007

© 2007. Moorhouse Consulting Ltd. Moorhouse Consulting is a management consultancy firm that specialises in programme and project management (PPM) advisory services. We are programme performance leaders who work closely with clients, to deliver or assure business transformation through well organised programme delivery.