

What is Management of Risk?

What is risk?

Essentially, risk is uncertainty of outcome. It is posed by any eventuality that *may* occur and that *may* affect an organisation's ability to meet its business objectives.

What is risk management?

Risk management incorporates all the activities required to identify and control an organisation's exposure to risk. This can be at a corporate/strategic level, where managing risk should be an intrinsic part of achieving sustainable growth in stakeholder value. It can also be at an operational level, where it must inform day-to-day activities so as to protect and maximise profitability, maintain and enhance customer service, and continually improve product quality.

What is M_o_R®?

M_o_R, or Management of Risk, is a framework, developed by the Office of Government Commerce (OGC), which helps organisations take informed decisions about risk in a balanced and consistent manner. It is based upon proven best practice and a broad historical body of knowledge and embodies a methodical, yet pragmatic approach to risk analysis and management.

What types of risk can M_o_R help manage?

There are many types of risk – commercial, financial, political, environmental, cultural, etc. – all of which can be managed using the M_o_R approach. Furthermore, it recognises that risk can be at different levels in an organisation – corporate/strategic, programme, project, operational – and thus provides a framework which is applicable to all circumstances.

Why use M_o_R?

All organisations manage risk, although this is not always done in a visible or repeatable way, or by applying a consistent approach. Using M_o_R addresses these issues. Crucially, it also enforces a risk aware culture throughout the organisation, ensuring that risk is recognised and managed at all levels.

Will using M_o_R mean yet more bureaucracy?

No, M_o_R is designed such that it should become an intuitive part of every day operations, blending seamlessly with existing business processes and resulting in no unnecessary increase in the bureaucratic overhead.

How is M_o_R implemented?

Implementation will first require key individuals to be trained in the M_o_R approach. Once this has been done, they will be equipped to marry the approach to the particular needs of their organisation. Some specialist consultancy is often useful at this stage as it brings with it not just in-depth knowledge of M_o_R, but also wide and practical experience gained with other implementations. Vital to the success of M_o_R will be the support and commitment of senior management, coupled with effective communication of M_o_R's objectives and benefits to all those impacted by its use.

What training is available?

Standard courses are at three levels: Overview, Foundation and Practitioner. The Overview is aimed at managers new to formal risk management methods, plus senior managers and executives considering the introduction of M_o_R into their organisations. The Foundation is typically for those who will be involved in risk management, but not necessarily in a leading role. The Practitioner is for anyone requiring an in-depth understanding of the M_o_R approach. Both the Foundation and Practitioner training lead to examinations which will provide successful delegates with an internationally recognised qualification.

Why AFA?

Unlike other training organisations, which deliver a wide range of training events covering many unrelated topics, AFA's core business is based on the Best Practice methodologies. AFA trainers and consultants have served on the editing teams and review panels for all recent updates of the guidance manuals; several AFA consultants also act as examiners and assessors for one or more of the methodologies; AFA's managing director was commissioned by OGC to write 'Tailoring PRINCE2™'.

For ten years AFA has specialised in providing consultancy and training services predicated on the three Best Practice methods – MSP™ programme management, PRINCE2 project management and M_o_R risk management. Our ethos is to work with client organisations, retaining existing robust processes and further developing them in line with Best Practice guidance. Training events are also tailored to suit the current level of understanding within an organisation; a pathway of progression can be offered to allow understanding and skills to improve and grow. AFA has two main advantages over large consultancy and training organisations:

- We tailor our services to suit the client rather than relying on a set of 'products'
- We focus on the Best Practice methods rather than dabbling in many methodologies or offering a wide and disjointed range of training topics

AFA consultants are very pleased to undertake review and development activities when the Best Practice methods are updated. This allows us to feed real-life experience back into the guidance and to remain at the forefront of Best Practice thinking. We have been involved with revision of all three methods and are currently working with TSO and other professional colleagues to develop a Common Glossary.

Contact Details

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