

Risk Management Made Simple

Welcome to the FREE Online Newsletter About **Systematic Risk Management**
for **business executives** and **management professionals**
from **Risk Wise Inc.** and **Diana Del Bel Belluz**

December 2007

In this issue...

- **Feature Article: Tips for Building Buy-In** (page 1)
- **Bonus Resource: The Riskipedia** (page 3)
- **Subscriber Bonuses:** (page 4)

FEATURE ARTICLE: Tips for Building Buy-In

By Diana Del Bel Belluz, M.A.Sc., P.Eng.

Have you ever noticed how many new small restaurants go out of business shortly after they open, before they've hardly even got a chance to get established? Many people have a dream of owning their own restaurant. Often they're great cooks and their friends and family encourage them to share their culinary gift with the world. What these budding entrepreneurs fail to realize is that it takes much more than an excellent product to be successful.

They invest all their money and effort into developing their menu, equipping their kitchen, and furnishing their new space so that it has an inviting atmosphere. And by the time they're ready to open their doors, they have no money left for marketing. In many cases, they **don't even recognize that they need to do marketing**. They've got great food, a great place but not enough customers to make the business viable.

Sadly, many risk management professionals fall prey to the same fatal error. They invest all their effort into developing the product, i.e., the risk management framework, risk assessment tools, and structured decision processes. And they invest little to nothing into **explaining why anyone needs to care about risk management**. Then they wonder why they have such difficulty getting managers across their organizations to embrace risk management. **They fail to recognize that developing frameworks and tools isn't enough.**

You have to actively 'market' risk management to get your people to try it out and then keep using it until it becomes embedded into business practices.

What secrets do the marketing experts have? I recently heard a crack marketer say, that to make a new restaurant profitable, the most important success factor is a hungry crowd. **All you need to appeal to a hungry audience is a simple marketing message** such as "Good food available at reasonable prices now!" You wouldn't need any sophisticated marketing or sales techniques. You could write your message with a pencil on a scrap of paper, photocopy it and pass it out to the hungry crowd and you would have more business than you could handle.

This made me wonder – **what are the ingredients of an irresistible marketing message for risk management?**

Following the marketing expert's formula, I wrote down the three critical components of the dream marketing package for the risk management professional:

- 1) What is analogous to the restaurateur's "good food"? It's "**robust risk management**". The risk management methods must generate high quality information to make defensible decisions that result in desired outcomes.

Continued on page 2...

- 2) What is equivalent to the restaurateur's "reasonable prices"? In most organizations managers don't pay a fee to use risk management but it does require an investment of their time and effort so it needs to be "easy to learn, use, and maintain".

In other words, the processes and techniques to assess, manage, and report about risk must dovetail into existing business practices with little or no additional transaction costs.

- 3) What is equivalent to the restaurant owner's "now"? For risk management, it's the ability to "demonstrate value immediately and over time". You do this by ensuring that you meet short-term objectives and that you exploit opportunities to achieve your long-term goals.

If you can't demonstrate **and communicate** the value of your management program, you will not be able to attract and sustain the leadership support and employee buy-in that are critical to success.

So how do you market risk management? The world of marketing offers some well tested steps to success.

STEP 1: Find the hungry crowd.

Take a page out of the marketing handbook and learn to "think like a customer". As a risk management leader, your 'customers' are decision-makers in your organization. Get to know the people that you want to adopt your tools and processes for systematic risk management. What value do they crave?

Sales and marketing experts will tell you that **people are motivated to buy for one of two reasons:** (1) to **relieve a pain** or (2) to **realize a dream** or aspiration. And it is much easier to sell a person on a product or service that relieves their pain than it is to sell something that helps them achieve a dream.

To illustrate the difference, a shoe salesman will have no problem selling you a new pair of running shoes if your old pair has a hole in the sole that is causing you cold, wet feet. However, to sell you a second pair, he's got to **find another motivating factor – something that resonates with an aspiration** you have. Perhaps it's a pair that makes you look cool with your new workout wear or maybe a pair that is specifically designed to help you win long distance running events.

The lesson for risk management is if you want to generate buy-in, the first step is to **find someone in your organization**, preferably among the executive leadership team, **who has a problem that is causing him major pain** – enough pain that he'll be willing to try out your risk management approach.

If you are lucky enough to work in an organization where the leadership team is made up of people who are always looking for ways to better themselves and their organization, **you can also appeal to their dreams**. Over the years, I have observed that **the organizations that are best able to sustain risk management** are those whose leaders are constantly looking to improve their business.

STEP 2: Offer your target market an 'appetizing' product.

Make sure your risk management tools and methods deliver real value to decision-makers in your organization. **Design them to alleviate the pain or achieve the dreams** that you discovered in step 1.

Typical aspirations for risk management include:

- **ACCOUNTABILITY** that arises from a deeper understanding of the factors that can significantly help or hinder achievement of the company's objectives so you know where to focus your efforts and resources.
- **ENHANCED PERFORMANCE** that occurs when you use metrics to encourage desired behaviours, discourage unwanted behaviours, and track performance and risk so that you can account for the progress towards your objectives and goals.
- **COMPETITIVENESS** that results when you know you have used a robust, balanced and transparent approach to evaluate your options. You'll have confidence that you have selected the best opportunities to position your organization for success now and in the future.

STEP 3: Communicate the value that your risk management has created in a compelling way.

It's not enough to deliver value. You also have to talk it up. To be compelling you need to appeal to the **underlying emotion that will motivate them to** use risk management and to integrate it into their business practices. For example,

- Is it **pride** in a job well done?
- Is it **confidence** that they are making wise, effective decisions?
- Is it the **security** they're going to feel by proving they are creating huge value for the company?
- Is it the **happiness** they'll feel when they are buying their spouse a special gift with the big bonus they earned?

Continued on page 3...

Feature article (... continued from page 2)

Find out which emotion(s) drive your target market to act and then **walk, write, speak and repeat the message often and in a way that resonates with them.**

Again, you need to **'think like a customer' when crafting your messages.** Use language that your audience finds compelling. Tell and retell success stories that feature the people in your organization who have successfully used risk management and how it **looks and feels** to have achieved improved results through risk management.

The Risk Wise bottom line...

If you want to successfully implement risk management, start with a solid marketing campaign.

Learn to think like a customer. Figure out what your target audience desperately needs and what big dreams they dearly want to achieve. Then **find out which emotions will motivate them** to buy-in to risk management. By doing your marketing homework, **you'll obtain the critical information you need to design and select risk management tools that will practically market themselves!**

Tell me your risk management marketing stories.

- **What has worked for you?**

I appreciate receiving your emails with your tips and success stories at Diana.Belluz@riskwise.ca

BONUS RESOURCE: The Riskipedia

There's an exciting new way to **access free risk management information** and expand the risk management knowledgebase.

The Riskipedia has been developed by **Beaumont Vance**, Editor of **Risk Management Reports**.

Anyone can add information, definitions, tools, and commentary. It's a great way to get risk management information.

I encourage you to **contribute to the theory and practice of risk management by sharing your insights on Riskipedia.**

To find out more, go to:

<http://riskipedia.riskreports.com>

Pass it on!

Please share the **Risk Management Made Simple** monthly E-Zine with people in your network.

Don't miss out on future issues of **Risk Management Made Simple** monthly E-Zine.

Sign-up for your FREE subscription by December 31st and receive 2 bonuses:

BONUS 1: A **chance to win a Risk Management Jump Start session** (\$1450 value)

Do your goals include getting your Risk Management program on track for 2008 and beyond? If so, you may be eligible to **receive personalized risk management implementation advice** at no cost to you or your firm.

Risk Wise Inc. is offering this special **Risk Management Jump Start** session **at zero cost to only the first 10 eligible people who apply before December 31st.**

To learn more and apply for the complimentary **Risk Management Jump Start Session**, go to:

<https://www.riskwise.net/JumpStart>

"I very much enjoyed the Jump Start session. The questions were excellent and really got me thinking about the potential for our program. **I found it to be of great value** to me as I plan and implement our Enterprise Risk Management program."

Cheryl L. Canfield
Director, Enterprise Risk Management
Independent Health

BONUS 2: A **complimentary copy** of ***Moving Beyond the Risk Map to Operational Vigilance.***

This document discusses how to convert your static risk map into **a tool for timely management action.**

Topics include:

- How to decide which **'signals' of changing risk to watch for**
- Setting escalation **triggers for action**
- Factors that determine **how well your people will heed the call** when 'alarms' sound

We respect your email privacy:

- Your name and email address will NOT be shared or sold to anyone for any reason.
- We do NOT send unsolicited email.
- You may remove yourself from the list anytime you choose by sending a request to: list@riskwise.ca

To subscribe go to:

www.riskwise.ca

About Us



Diana Del Bel Belluz
President
Risk Wise Inc.

Diana Del Bel Belluz, M.A.Sc., P.Eng., is a risk management advisor who **helps executives in large organizations to implement systematic and sustainable risk management practices.** Since 1990, Diana has been doing **leading-edge risk work** for companies in a wide range of industries and government organizations.

In addition, Diana **advances the field of risk management** by **teaching** university courses and management training seminars, **speaking** at conferences and **authoring** publications on a wide range of risk management topics.

To learn more about Risk Wise, contact Diana Del Bel Belluz directly at: Diana.Belluz@riskwise.ca



1 Yonge Street
Suite 1801
Toronto, Ontario
Canada M5E 1W7
T 416.214.7598
www.riskwise.ca