



Risk and Recovery

by Jon Craighead

"The greatest glory in living lies not in never falling, but in rising every time we fall."

Nelson Mandela

Risk is defined as an exposure to danger. Most businesses have a risk or disaster response plan, and most of these plans are built for calamities they anticipate are likely to happen. These policies usually fall under the practice of strategic planning. In these plans there is a clear proposed action for each anticipated challenge. A question for consideration is how to respond to risk you didn't plan for, such as the loss of an irreplaceable employee, a new competitive product with new challenges, a catastrophic safety breach, or a loss of a reliable customer. And of course you can't rule out foul weather, or a financial downturn such as we recently experienced. Because of our vulnerability to the world's new normal chaotic conditions, we are likely to face such probabilities more often than ever before. One response is to hope for the best. A more useful approach is to prepare for the unknown with a plan designed to recover from an unexpected danger.

Since risk is inescapable, we must learn to become competent in dealing with it. The most talented and innovative management team can be blindsided at any time. Rather than hoping to avoid the inevitable, the best approach to any unexpected risk is to minimize its impact. Certainty is adverse to discovery. Therefore, to deal successfully with any new adversity requires new thinking from an innovative perspective, because what's currently in place is simply insufficient for the task at hand.

Before moving forward in this investigatory process, leaders must first ascertain the facts of what actually happened in order to prevent a repeat of those actions or policies that caused the circumstances which have put the enterprise in jeopardy.

The next step is to begin the innovation process. Innovation doesn't disregard valuable experiences, it builds on them. Nor is innovation magic; rather, it is a basic leadership practice of research, design, application, and oversight. During the preliminary phase it becomes quite evident that coming up with breakthrough ideas is the easy part; implementing them is more difficult. The answer is not always new technology – often the more appropriate remedy is a new strategic approach.

The key to solving any problem is to avoid blame and focus the intention on finding a resolution. Leaders must realize that, as they deal with unexpected risk, it is not advisable to automatically assume the cause is a lack of ability or courage. A more

useful stance is to consider that what is lacking is the specific wherewithal necessary to respond at this time. This creates grounding for developing an unbiased approach.

Problem-solving disciplines are methodical procedures that are applied in such fields as medicine, engineering and science. These investigations are rational pursuits which require a boldness and patience for accuracy. One must avoid the temptation to rush to conclusions and settle the matter prematurely. This will necessitate using proven and tested techniques, even when the answer is not immediately forthcoming, and staying the course until a solution is realized. Ultimately, the pathway to success is generated by an unwavering commitment until the intended outcomes are realized.

Once resolved, it is essential to note that each process in and of itself is in response to a particular incident and not an automatic or formulaic approach to take for every future calamity. Coincidentally, when these incidents are reviewed, investigators frequently discover indicators that were either overlooked or ignored. Had the appropriate people been alerted or in action, the crisis could have possibly been averted or minimized. This is particularly applicable in many safety incidents.

Risk is inevitable in our lives and businesses. That's the bad news. We can choose to confront these distractions directly or become victimized by them. It's reassuring to know there are proven technologies available to resolve disruptive challenges. And it is imperative that we become masterfully adept at using these remedies if we are to minimize the impact of unplanned calamities which threaten our organizational stability. The more successful we are in recovering from each incident, the more capable we will be to react rapidly and successfully to future threats. That's the good news.