

A hand is shown interacting with a futuristic digital interface. The interface features several glowing blue oval buttons with icons: a Wi-Fi symbol, a person icon, a checkmark, a padlock, and a stylized 'S' symbol. The central focus is a large, glowing red oval button with a hexagonal pattern and the text "RISK MANAGEMENT" in white, bold, uppercase letters.

**RISK
MANAGEMENT**

**Changing your mind about
risk management**

“Opportunity and risk come in pairs”

Bangambiki Habyarimana, The Great Pearl of Wisdom

Risk isn't a chore to wade through a few times a year. As the quote above says, it can be something positive and goes hand-in-hand with opportunities.

Many different companies share similar risks, like a poor economic outlook over the short-term (well, it is Budget season after all!). Each company will likely have a different view on the corresponding impact of that risk. And of course, there are some things completely beyond our control and there's nothing we can do to mitigate the impact (e.g. global war, alien invasion, meteor strikes...)

ISO 9001 has references to risk-based thinking throughout the Standard. There are several requirements to determine and address risks with respect to customers, planning, and in analysis of information on the performance of the quality management system. ISO/IEC 17025 also has an increased focus on risk and similar clauses.

Although risk management may sound too difficult to manage, there are some proven strategies to make the process a smooth one.

Let's look at an example

During your examination of customer requests for work, you find that several have been asking for a particular test. You don't do this test...but maybe you could.

If you develop this test, you'll end up pleasing your current customers AND potentially attract new ones. Your test could be a potential profit gain.

But now you feel like things are getting a little tricky.

If you decide to go ahead and offer the new test, you've now got a new set of risks. Do you have competent staff to do the test? Is there new equipment you'll need? Do you need to develop a method? Can you meet time frames?

Perhaps you need to hire more staff. Which means training them and there's a cost for that. But...having extra staff means that you can meet those deadlines. Plus an increased capacity for testing.

So you see - risk and opportunity come in pairs. It's up to your business to evaluate these to determine the best way forward.

Your business always has a choice

Once you've identified the risks and opportunities, you have a choice about how to proceed. You can:

Eliminate the risks

Mitigate the risks which can change the likelihood or consequence/s of the risk event

Avoid the risks

Share the risks

Retain the risks by informed decision
Take on the risks to pursue an opportunity

Standards such as ISO 9001 or ISO/IEC 17025 give you the framework to develop your quality management system to take advantage of risks and opportunities.

In our example, carrying out a SWOT analysis for adding a new test and presenting this at a staff brainstorming session is a good start. Documenting the risks and opportunities raised at this session and putting them into an action plan is a good next step. Those action plans could include roadmaps to get things moving at a faster pace.

All the risks and opportunities, plus their actions, can be put onto a risk register which can be reviewed at monthly management team meetings. This ensures that the process is being well managed and allows for the addition of any other issues that may have popped up. There's no need to wait until an annual management review to consider the topic of risks and their management.

Why risk management is important

Having an effective risk management approach is good management practice. It also provides organisational resilience and confidence, both internally and externally. As a bonus, you'll establish a proactive culture of improvement and prevention.

A rigorous decision making and planning process that includes risk management provides the flexibility to respond to the unexpected. This will equip managers with the tools to anticipate changes and threats and allocate resources.

Every aspect of your company's operations is influenced by risk. By understanding the risks you face and managing them, you'll be able to make better decisions and achieve your business objectives.

We can help

Our [training courses](#) on ISO 9001, ISO/IEC 17025 and risk management can get your staff up to speed on what the standards require in demonstrating risk-based thinking. Plus, we offer an obligation free discussion on how we can support your business in risk management compliance.

You can call Maree on 0411 540 709, email info@masmanagementsystems.com.au or head to the [Contact Us page](#) on our website.

Remember you don't have to do this alone!