



# Strategy Blocks

Training Guides

## 6.0

Risk

# 6.0 | Risk

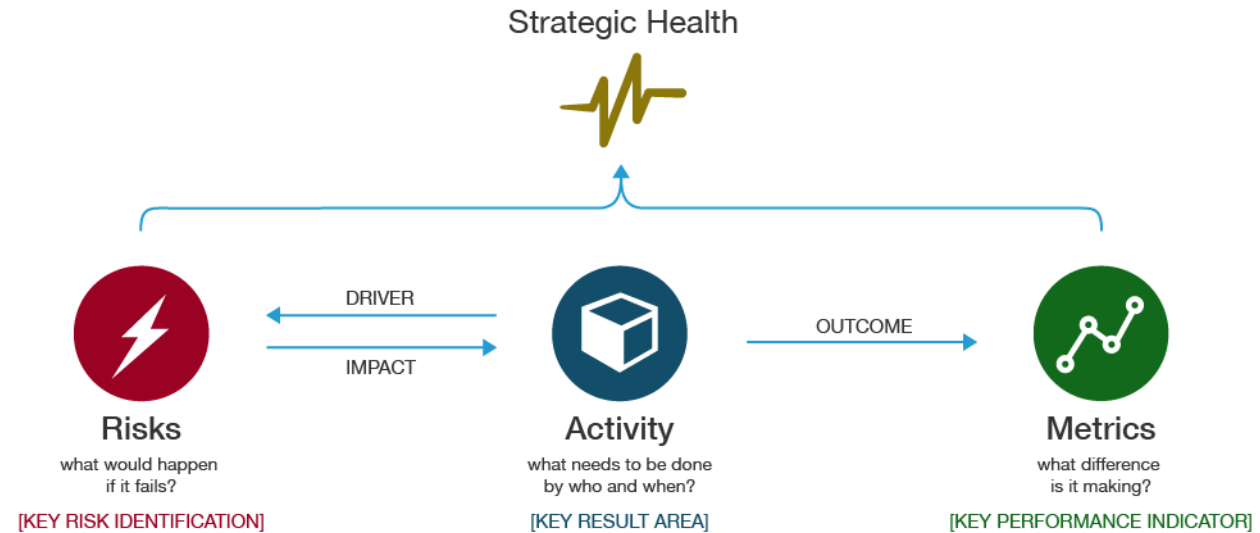
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# 6.1

## What is a Risk?



## What is a Risk?

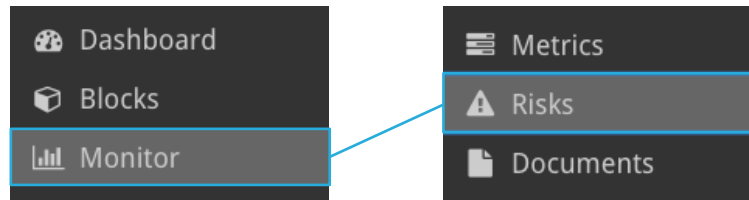
The picture above demonstrates the interconnections between the different functional areas within StrategyBlocks and the effect that each one directly or indirectly has on one another.

If, for example, your organization is doing well at implementing your staff (activity), this drives metrics - the outcome of that activity. The area of risk asks; what would happen to your organization if you fail to do this?

Risk suggests that if you do not do a great job at implementing your staff, there is a risk that customer engagement is going to be poor, therefore, your metric being revenue renewal is likely to decline.

## Monitor

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This area of Risk under Monitor allows you to view all of the current Risks that have been created within your strategy allowing you a variety of options in order to edit and interact these Risks.

## Table

The section you are presented with under the Risks tab displays the current status of each Risk in your company.

Risks <span>≡ Rows (10) ▾</span> <span>☐ Columns</span> <span>+ New</span>										
Strategic	Status	Title	Likelihood	Impact	Executive (owner)	Focus Area	Triggered Date	Status Date	Updated	
★	⚠	Technology infrastructure	Extreme	Extreme	Craig Catley	Infrastructure			22/07/16 (3 months ago)	
★	⚠	Organisational change (market conditions)	Medium	Medium	Glenn Murphy	HR		26/07/12 (4 years ago)	22/07/16 (3 months ago)	
★	⚠	Retail pricing pressure	Medium	Medium	Glenn Murphy	Marketing		12/07/16 (4 months ago)	12/07/16 (4 months ago)	
★	⚠	Major unforeseen expenditure	Medium	High	Glenn Murphy	HR			09/10/14 (2 years ago)	
★	⚠	Key skills shortage	Medium	Medium	Craig Catley	People		06/12/13 (3 years ago)	30/09/15 (a year ago)	
★	⚠	cash flow	Medium	Extreme	Craig Catley	Finance	05/10/16 (a month ago)	05/10/16 (a month ago)	05/10/16 (a month ago)	
☆	⚠	Integrity and conduct failure	Low	Low	Chiwai Chan	Marketing		26/07/12 (4 years ago)	09/10/14 (2 years ago)	

## Table

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### Likelihood / Impact

The Risks current rating. Impact describes the effect on the business should this Risk be triggered and likelihood describes the probability of it triggering.

### Sponsor / (Executive)

The roles of Sponsor / (executive) correlate with owner / (manager) in regards to the task power within Blocks and Metrics.

The Sponsor's role is to monitor the Risk and take required action. The executive is responsible for defining the nature of the Risk.

### Status / Status Date

⚠ Normal

⚠ Warning

⚠ Triggered

Warning / Triggered can be set manually or by driving Blocks' Health. Warning has no effect on Health, but Triggered affects impact Blocks' Health. The date of the last status change is under [Status Date](#).

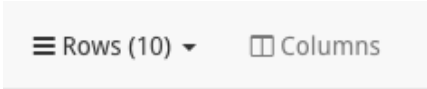
## Overview

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### Strategic

A star next to a risk represents that risks level of importance to the company's overall strategy. A company may not want to get confused between Risks that play a large factor or not within a strategy, therefore, users can choose any Risk to be 'strategic' or not.

### Rows



☰ Rows (10) ▾    □ Columns

Allows the user to choose how many Risks they want displayed on their monitor screen at one time.

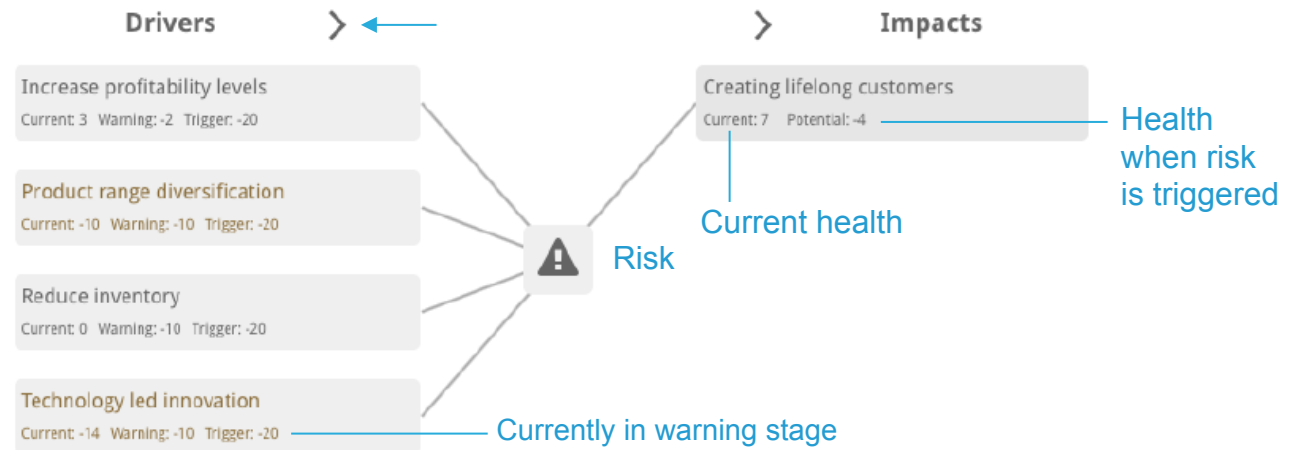
### Columns

Re-locates you to another page which allows you to choose from additional attributes that you want displayed on the monitor screen such as a Risks description, Health risk and more. It also allows you to re order the attributes currently on your monitor screen so that Status is positioned before Strategic, for example. You may also remove default attributes currently on your monitor screen, accordingly.

## Overview

### Risk Dashboard – Impact Diagram

The Overview tab will show the Risk at the center of an impact diagram that shows which Blocks affect (driver) and are affected by (impact) the Risks status.



In helping to understand the relationship shown above, the four drivers (Blocks/tasks) have the potential to contribute or to cause the Risk to occur. If that Risk is triggered, it could potentially change the Health of the impacted Block.

The Blocks colored in orange means that they are sitting at the warning stage, Blocks in red mean they have been triggered while those in grey are in good health and have yet not had an effect on the Risk.



## Overview

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### Methods of changing a Risk's health

 Normal

 Warning

 Triggered

To change a Risk's health so that it may enter the Warning or Triggered stage, there are two methods that can be used.

#### Automatic

Once a driver Block has reached its appointed warning or trigger health value, it will turn the Risk's status into either a Warning or Triggered stage.

#### Manual

Any one of these buttons can be selected which instantly changes the status of the Risk regardless of the driver's health settings.



Remember, if the Risk is in good health this means that it has not yet reached a Warning or Triggered state, therefore, it will remain inactive.

### Post-Event Response Steps

This risk has been triggered and the post-event response steps should now be reviewed and executed:



Prioritise both regional and local programmes of work to ensure that key projects can be delivered with existing resources.

### Pre-Event Mitigation Steps

The warning state for this risk has been triggered. The mitigation steps should now be reviewed and executed:



1. Look to develop revenue from new go to market channels
2. Enhance our brand and reputation to maintain a premium position in the market.



This risk is currently inactive. No action needs to be taken.

## Overview

Under each Risks details section, a user may enter in procedural steps in case a Risk becomes Triggered or in its Warning stage as shown above. Once a Risk has been successfully Triggered or is in its Warning state, potential steps will appear and will be emailed to the users who are involved in the Risk.

These will help the owners of Blocks who are attached to a Risk to be made aware as to what steps to take in order to prevent a risk being Triggered (pre-event steps) or to help reduce the effects of an already Triggered Risk (post-event).

Entering in pre-event or post-event steps are [optional](#).

### Impact Description

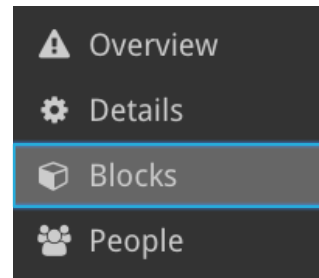
Lost of trust in the organisation from customers and a decrease in repeat business..

This risk is currently inactive. No action needs to be taken.

## “Healthy” Risk

An inactive Risk as shown previously, is a Risk that has not yet reached a Warning or Triggered stage and its status will remain as normal. As the Risk is in good health, no steps can be entered. However, if you have previously entered in the business impacts that a Triggered Risk would have to your company under the details section, this will appear in your overview instead.

## Blocks



The Blocks tab is where you can customize and monitor the Blocks that are drivers of the Risk and those Blocks that are impacted by the Risk.

This section allows you attach a Block that you believe to have a relationship between itself and the Risk.

### Risk drivers

This area allows you to attach any Blocks from your strategy that you believe to be driver of that Risk. The section titled **Health** is that Blocks' current overall Health while Warning and Trigger Health are customizable to be activated at any Health value you decide. This gives the user the ability to judge when they believe a Blocks health could drive a Risk.

Block	Health	Warning Health			Trigger Health			Status
Product range diversification	-10	-	-10	+	-	-20	+	Warning
Reduce inventory	0	-	-10	+	-	-20	+	Inactive

## Blocks

### Blocks impacted by this Risk

This area shows Blocks that are impacted by this Risk (via drivers) which cannot be customizable. This is because current Health values are influenced by other factors outside of Risks while the potential health values are the result of the impact that the risk could have to this block through previous decisions.

These include the impact of the driver blocks and the deciding risk impact level that you choose under status rating within the details tab. The decision of choosing a low impact level compared with a high impact level is one decision that will significantly differ the weighting of the potential health value.

Block	Health	Warning Health			Trigger Health			Status
Product range diversification	-10	-	-10	+	-	-20	+	Warning ✖
Reduce inventory	0	-	-10	+	-	-20	+	Inactive ✖

### Risk Impact Level

Extreme ▲

Very Low

Low

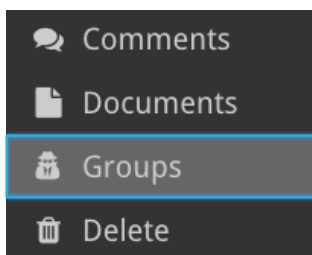
Medium

High

Extreme

## Groups

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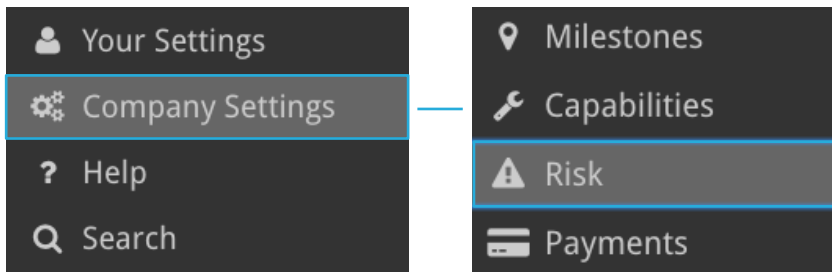


The groups section allows you to select groups that specifically have access to viewing your Risk. The choice to allow access to only select groups is optional, however to create a Group go to:

[Company Settings > Groups > Add Group](#)

## Monitor

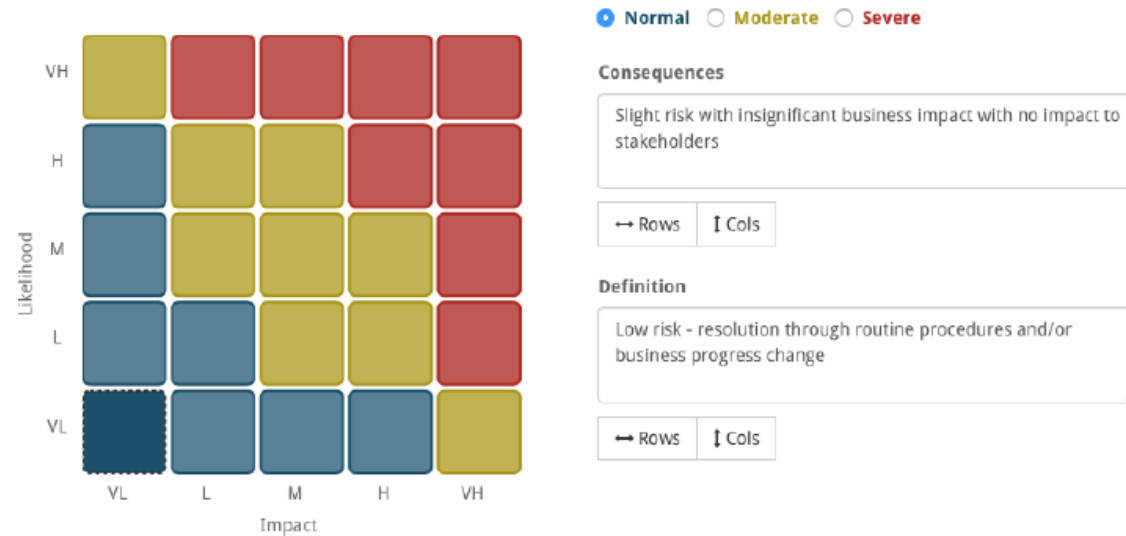
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This area under Company Settings allows you to define the parameters of your Risk matrix. Changing this will impact all Risks in your company and may affect the Health of some Blocks.

# 6.3

## Risk profile



## Matrix

Each cell can be selected and edited individually. The color of the cell does not have any affect on the Risk, but should reflect the severity of the Risk to your company. For each cell, you can set the definition and consequences for that combination of Likelihood and Impact.



# 6.3

## Risk profile

### Matrix

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#### Matrix (4x4 or 5x5)



You can customize the Matrix size and colors based on the intersections between [likelihood](#) and [impact](#). Each intersection can also have a description of the consequences and the definition of what this point means to be Risk / company.

#### Column / Row

↔ Rows	↕ Cols
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Copy this consequence / definition to the entire column / row of the Matrix to save time with repeat entries.

#### Status

☐ Normal ☐ Moderate ☐ Severe

These words reflect the severity of the Risk should it be triggered. The Health Impact of an individual Risk on its impact Blocks is defined on the Settings page (next page).

“The colors and size of the matrix are based on standard risk models and only serve to classify your risks into different groups”.

# 6.3

## Risk profile

### Matrix

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#### Risk settings – Health impact

Set the negative amount of Health this impact level will cause when a Risk is Triggered.

#### Risk settings – Short Label / Long Label

Define labels that match your company's Risk model. Short labels are shown on the Risk profile and monitor table and long labels are shown when selecting the impact / likelihood level of a particular Risk.

Short Label	Long Label	Health Impact
VL	Very Low	-10
L	Low	-18
M	Medium	-45
H	High	-28
VH	Very High	-100



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