

IRM Special Interest Group Innovation, Value Creation and Opportunity



An IRM Special Interest Group

The Institute of Risk Management runs a series of Special Interest Group (SIG). The aim of these SIGs is to enable IRM members with specific interests to work together to share and develop knowledge.

Our Scope and Focus of Activity

As our name states our aim is to share and develop knowledge on Innovation, Value Creation and Opportunity in conjunction with Risk Management. The focus of our activities are:



1) Risk in Innovation

- There can be conflicts between individuals' **Willingness to take Risk** and the desired level of innovation in an organisation. Organisations need both knowledge and mechanisms that can be used to align their natural level of risk management and innovation to the desired level.
- Similarly organisations need new, creative and effective ways of creating a **Corporate Environment** which embraces best risk management practices and

aligns risk-taking and management with the business' culture.

- As the world evolves, with new technologies and new materials etc. being used to deliver new services and new products in new / changing environments, new **Emerging Risks** will appear.

The SIG will investigate and share knowledge on how risk management can be used deliver innovation safely and responsibly with a specific effort to identify and manage "emergent risks".

2) Innovation in Risk

- a) To be innovative in risk management you need people with the right **Skills and Capabilities** and with the appropriate access to specialist knowledge and experience.
- b) Organisations seek to deploy new, creative and effective **Tools & Processes** in order to improve the effectiveness of risk management, such that businesses achieve their goals in a safe and responsible manner while taking appropriate risks.
- c) To be innovative in risk management, **Knowledge** management, sharing, access and exploitation is key.

The SIG will investigate and share knowledge on new creative and effective ways of managing risks, based on leading practices, and will share these with the wider risk management community.

3) Opportunity (Upside Risk)

- a) **Portfolio Management** of opportunities is traditionally part of Strategic Planning as well as Risk Management. There is a need to identify and communicate processes and good risk management practice within strategic planning, incorporating up-side opportunity management.
- b) **Treatment Strategies** appropriate for different types of opportunity have been identified but more knowledge is needed on how these strategies work in practice, how to decide which is best and how to deploy them.

- c) **Tracking Progress** of delivery of treatment strategies for handling opportunities should be based on the principles of risk and project management, for example in ensuring resources are devoted to support innovation.

The SIG will investigate and share knowledge on how effective management of opportunities is achieved and how it interfaces with related processes.

4) Risk in Value Creation

- a) **Value Management** (VM) is part of project management, comprising 'a set of procedures and techniques to enhance project value' (Institute of Civil Engineers). There is therefore scope for convergence between Risk and Value Management.
- b) Business performance frequently relies on the delivery of **Business Improvement** programmes, running in parallel with normal business activity. These programmes have specific risks of their own and themselves represent significant risks and opportunities to the business.
- c) New creative and effective ways of **Communicating** risk issues and the benefits of risk management are needed. We need to promote awareness of role of risk management in delivering value to an organisation and to make information on risk management accessible.

The SIG will investigate and share knowledge on how risk management can be integrated into other business management processes such as VM and business improvement and on how the consequent benefits to an organisation can be communicated.

How We Work to Share and Develop Knowledge

The SIG meets on a regular basis to discuss our area of interest and to undertake joint work. We share knowledge and learning through regular short seminars, contributions to the IRM Forum, articles in Inform and publications on the IRM's website (www.theirm.org).

Joining the SIG

If you would like to join the Innovation, Value Creation and Opportunity or to learn more about our activities please contact us either via the IRM's website, or by emailing either Mark Boulton (mark.boulton@dnv.com) or Nicolas Vioix (nicolas.vioix@westfield-uk.com).