
The holiday period is now behind us, but it made me think about how we are affected by changes in routine – anyway more on that in our second feature. We start this month with the eagerly awaited follow up to *NEWSLETTER No 28* on the alternative to Brainstorming sessions, **but first:**

Stop Press

Today, Lehman Brothers fail and Ford announces the run down of British Transit Van production, apparently in favour of Turkey. What have these two Companies got in common? The answer is concealed later within this *NEWSLETTER*.

1 of 2 – “Delphi” the follow up article from Mark Swabey

The Delphi method adapted to risk management – pro’s and con’s. As we have seen the methodology can be used for

Appendix 1 attached

2 of 2 - Do we need Bank Holidays? – the stress with change of routine

We really are creatures of habit and many thrive on a stable routine. On the Friday of the recent Bank

Appendix 2 attached

And now for something different:

I recently received this contribution from one of our colleagues in the banking sector. The feature has been prompted by

Appendix 3 attached

Bruce Widdowson

Secretary

e-mail bruce.widdowson@btinternet.com Tel. 0115 986 3254

Appendix 1 – Delphi etc

(Please refer back to *NEWSLETTER No 28* – the first part of Mark’s article ended with reference to the refinement of the *Delphi* process with “collaborative working environment over the internet (intranet). In this month’s feature length second part Mark expands this further:-“

The Delphi method adapted to risk management – pro’s and con’s. As we have seen the methodology can be used for identifying risks as well as estimating them, replacing brainstorming sessions when the team are dispersed.

We saw that this method can also be supported within a collaborative environment which allows everyone to see everyone else’s version as their screens update. The

anonymous bit works by the e-mails being sent to the risk manager only, who then collates the responses and out information without attribution.

But what are the pro's and con's over a brainstorming session?

Method BRAINSTORM

Pro's Quick
Triggers further ideas from colleagues
Can help teambuilding
Can trigger useful discussion and sharing opinions

Cons Can be dominated by strong personalities
Needs team in same place at the right time

—
Method DELPHI SESSION

Pro's Participants can be anonymous
Less peer pressure
More audit trail

Con's Far slower than brainstorm
More work for the risk manager
Little discussion

Method COLLABORATIVE ENVIRONMENT DELPHI SESSION

Pro's Participants can be anonymous
Less Peer Pressure
Even quicker than brainstorm

Con's Focussed discussion

A brainstorming session is fine, as long as the relevant people can be in the same place at the right time. The key problems are that this can be difficult and that strong personalities can dominate proceedings.

Delphi sessions help to solve these problems, since the team can be dispersed and since strong personalities' views can be moderated. But the process is a lot slower than a brainstorming session and is often a lot more work for the risk manager in collating, moderating and disseminating information. However, the resultant string of e-mails forms an audit trail.

Collaborative Environmental Delphi Sessions can overcome the collating and disseminating of information, especially if the environment has been developed to support risk management.

I recently gave a course on risk management and the use of this system. I presented the students with an example project, and asked them to find at least 10 risks in 10 minutes. The six students were in the same room using the collaborative environment via laptops. Within 2 minutes they had written in 22 risks with 3 duplication – far faster than calling them out and writing them on the board. As one of the students pointed out, “I could concentrate on getting my risks down quickly before being interrupted or diverted by anyone’s else’s risks”.

Some of the subsequent discussions were by notes attached to each risk, meaning that the rationale audit trail was also being captured.

Editorial comment

Thank you, Mark for a very interesting article. One immediate thought is that in a practical scenario, the speed aspect probably depends on the enthusiasm and time available free from other tasks of the contributors and/or the degree of importance attached to quick responses by High Management dictates.

Anyone else had experience of Delphi, please? We would like to hear from you.

Appendix 2 - Change of routine (Bank Holidays etc).

We really are creatures of habit and many thrive on a stable routine. On the Friday of the recent Bank Holiday weekend I was listening to one of my local (East Midlands) radio stations, to be told that the MI was closed following a pile-up and to allow the Air Ambulance to land. Also, the A52 from Nottingham towards Grantham was tailed back for two or three miles following a serious accident just down the road from me.

“ A fine start to the weekend – and hurt for many families”, I thought.

One of the features of these Bank Holidays, is that everything is out of sync compared to normal – this causes reactions and concerns in people, but to different degrees. My mind cast back to earlier in the day, I had gone to *Sainsburys* to do my “big shop” instead of Monday – there were more people there than normal for a weekday morning – I had a number of near misses with my trolley (indeed one man actually pushed a woman’s trolley out of the way after she blocked him in – daggers where looked and they were both about my age too!

And there was that old saying at the end of WWII

I remember hearing once that as the Allies’ troops were being demobbed there was an expression coined (by the Americans I believe) “Back to Normalsey” There is no such official word as “normalsey”, but everyone knew what it meant.

How does all this involve us?

I suppose much of the problem is any change from the norm involves a mild form of temporary autism really. It started me wondering to what extent we use any accepted formula for measuring the degree of such stress in a particular work situation or when planning a project. Perhaps the text book case of the armed Police Officer on an operation we have discussed earlier could be a “10” and lower figures could be allocated to things like substantial increases in sales targets with threat of dismissal for non-performance; work at heights or underground (especially if not

used to it) and so on. Perhaps driving on a Bank Holiday weekend would be up to a "5", but there again you would have to factor in the different nature of individual people from one to another to be accurate.

Unemployment can cause temporary autism too. Our thoughts go out to those at Lehman Brothers and probably in the near future to a number at Ford too. These two large companies may only have a few things in common, but one factor is for sure; they are both US based global players with a substantial UK subsidiary operation. Well Ford UK may not be so substantial as in days gone by, but you really don't want to get your editor going on about the demise in the British motor industry again

As an aside, I know it is debatable if Ford and Vauxhall were ever true British cars anyway, but we in Britain have tended to regard things American as not being so *foreign* as from other countries. Well that's another story.

And now the HELP bit

There must be plenty of examples out there of shock and stress leading to reduced performance and even temporary autism in the workplace, the idea can hardly be new. If you know of a situation, even if only partly fitting the bill - could members with experience in this area please write in. Complete anonymity on views is available if required.

We ought to include something in the **irm** People, Communication and Behaviour Handbook/Guide that we are now preparing as well as in future *NEWSLETTER* issues. There will be interface with Health and Safety and Human Resources too.

Appendix 3

And now for something different:

I recently received this contribution from one of our colleagues in the banking sector. The feature had been prompted by views expressed on changes in banking practices with the loss of the local bank manager as a possible contributory factor to recent credit crunch losses.

"This struck a chord with me and I have thought about the changes that may have lead to centralisation of decision making in processing centres rather than individual branch arrangements involving a degree of manager discretion linked to intuition and past experience. It is my view that such a change in banking practices was enabled by social and political change together with technology changes. Arguably both banks and individuals have "benefited" from this although the distribution of wealth may not be equal and there are always some who will have gained at the expense of others losses.

"The 1980s saw the development of home ownership, personal pensions, privatisation of national ([Nationised too - Ed.](#)) industries and increasing personal share ownership that created huge volumes of business for financial services institutions over a short time period. Some people made a lot of money through increased personal investment opportunities, both the service providers and their customers. There was a cultural shift that meant it was acceptable to work hard and gain personal wealth. In the 1990's it was New Labour who perhaps most demonstrated the acceptability of this cultural change through beneficial changes for

higher earner e.g. tax changes and their courting of super rich entrepreneurs to come to and remain in the UK.

“It is my view that the opportunity for large corporate and personal wealth has a downside as well in that it has changed perceptions of how much money it is “acceptable” to earn and what level of income is enough. In financial service executives, managers, and even many staff have potential personal financial rewards linked to business profits. Similarly people (government, investors, industry etc.) have got used to large potential rewards from high profits. My view is that increased expectation (greed at its extreme) drives risk taking. Macho risk taking amongst Executives is common at the top where ego and pride in successes in the good times can be harmful if they prompt expectations of success for similar strategies even when conditions have changed. Soc Gen, Northern Rock, etc. fit the bill – admitting failure and the need to change tack isn’t easy for some.

“So what can we learn from this? I think there is much to be said for balancing controls at the top – having Board members who are executives with a range of attitudes to risk is an interesting idea and balanced teams as opposed to the usual recruitment in one’s own image. I think understanding and valuing people with different views is often underplayed. Practical quick questionnaires of risk preference may be a useful tool to add to the employee selection process. More study of performance rewards alternative to share ownership or similar financial drivers may be useful.

Editorial comment

The contributor member is an operational risk manager with one of our best known “household name” banks – the feature is of great significance to us at this time of financial challenge and the topic at our FORUM Workshop will be based on a financial scenario (full report in the next issue).

By the way, the contributor mentions the 1980s – you editor recalls that the banking industry put it about at the time that one of the justifications for central decision making, was that local managers tended to get “too cosy” with customers who were in financial distress.

A forward looking point that this article raises, is the concept of High Management “recruiting in their own image”. Definitely one for future expansion by our SIG.

Ed