

IRM Innovation Special Interest Group (Zoom meeting)

Meeting Minutes – Wednesday, 3 March 2022

Attendees:

Sarah Gordon (Co Chair) (SG)	Catriona McGinn (CG)
Rodrigo Souza (Co-Chair) (RS)	Lesedi Mmereki (LM)
Dev Amratia (DA)	Danielle Mudd (DM)
Richard Bendall Jones (RBJ)	Kavya Mujawdiya (KM)
Lisa Beresford (LB)	Masud Mukhtar (MMu)
Kate Boothroyd (KB)	John Mupa (JM)
Ha Bui Thi Thanh (HB)	Tereza Murphy (TM)
Mark Boulton (MB)	Stephen Murgafroyd (SM)
Silvia Castravet (SC)	Justin Musson (JM)
Dorothy Darkwa (DD)	Caroline Mwaura (CM)
Dan Golea (DG)	Anita Punwani (AP)
Russel Heppelston (RH)	Perez Samuel Donkor Agblor (PS)
Katalin Horvath (Secretary) (KH)	Maria Simonsen (MSi)
Varinder Jassal (VJ)	Keith Smith (KM)
Lester Jauod (LJ)	Martina Smyth (MSm)
Lydia Kabanda (LK)	Loata Stewart (LS)
Herman Kamau (HK)	Clive Thompson (CT)
Sanjay Kharole (SK)	Mark Turner (MT)
Kiran	Joseph Ugochukwu (JU)
Greg Lawton (GL)	Saso Ugrina (SU)
Tasleema Lowtun (TL)	Jane Walde (JWa)
Marvin Luttrell (ML)	David Waller (DW)
Allan Mackay (AM)	JenHao Wu (JWu)
Martin Massey (MMa)	Muhammad Zuliram Bin Inteka Khusain (MZ)

Item	Area/Issue Of Discussion	Action Owner
Introductions	SG welcomed attendees and said that the session, which was ‘open mic’ format, would focus on sharing and discussing risk management tools and techniques for building and maintaining a responsible and sustainable organisation. (see meeting invite for presentation brief). An overview of IRM activities over the next 6 months would also be presented.	
Minutes of last meeting	The minutes of the last Innovation SIG meeting (20th January 2022) were available on the IRM website. No amendments requested.	
IRM activity	<p>CT, Technical Director at the IRM, gave a brief history of the Innovation SIG since its launch in 2004.</p> <p>He then summarised a few IRM initiatives underway:</p> <ul style="list-style-type: none"> - Qualifications <ul style="list-style-type: none"> - The Certificate of Operational Risk Management was being refreshed. - A qualification on climate change risk was being developed. - IRM was applying for Ofqual accreditation. - The IRM had a Senior Executive Route for risk management professionals with 8 years senior experience to attain IRM Certification. Attendees were invited to share this information with their networks. 	

	<ul style="list-style-type: none"> - Inter-SIG collaboration - A Risk ‘Hackathon’ was being arranged by the Infrastructure SIG and North West England SIG in which teams will solve a pressing risk management problem. - The IRM was developing a conference on Sustainability for later this year. - Further ideas and suggestions were invited on how the different IRM SIGs could work together more closely. 	
<p>Open mic session</p>	<p>The following IRM SIG members volunteered their ideas for tools and techniques (3 min presentation followed by 3 min questions each):</p> <p>Greg Lawton: <i>Project management tool for improved collaboration and understanding of risks</i></p> <ul style="list-style-type: none"> - Developed by Nodes & Links to help teams work in better coordination and more efficiently, with clearer and more timely understanding of risks and how different risks in a project impact on each other. - Question from SM: what hazards has the tool helped to avoid? GL gave two examples: (1) people not coordinating around extension of time frames; being able to understand together what has changed; and (2) pre-emptive mitigation - being able to model which elements have the highest impact, so that plans can be redesigned and appropriate pre-emptive mitigations made. - Question from AP: How to deal with people who are over-optimistic about delivery and performance and want to change input information? GL said you could set rules (automated governance) and/or use a combination of peer review and learning from data - learn as the project evolves and then amend inputs based on facts/experience. <p>Jane Walde: <i>Risk map plotting organisation’s values vs reputational risk impacts.</i></p> <ul style="list-style-type: none"> - The concept of the map started with the question, “Which goals are most important to us?” and uses the answer as the basis for considering risks. Improves visibility on what risks are relevant to a company’s values and what could impact on reputation, to help to prioritise risk. - Question from RH: How do you factor in tolerance/risk appetite? JWa said that the map reflected risk appetite in that it reflected what is most important to a company. A dotted line could be used to show tolerance, though several dotted lines may be needed, as the chart contains more than one risk. - Question from GL: As sustainability has been formalised, how much more work was this creating for risk managers? JW said it would help risk managers, as it would involve a view further out around our values, questioning our business model and seeking opportunities. <p>Keith Smith: <i>Scenario analysis for understanding emerging risks</i></p> <ul style="list-style-type: none"> - Could bring together knowledge and show gaps. - Question from SG: Do you have a favourite scenario analysis methodology? KS said that the starting point should be simple, i.e. “what is your plan for the future” and then build from there. - Suggestion from JWa: “Pre-mortem” - imagine your objectives are not achieved and think about why/how that would happen. KS agreed and also recommended considering appreciative inquiry. 	

- KM considered whether knowledge of qualitative risk management was required for scenario planning.

Richard Bendall Jones: *Deep Learning (DL)*

- DL, a subset of Artificial Intelligence, was used by [nPlan](#) to support decision making by reducing/eliminating bias, and maximising objectivity and transparency. DL could be useful in situations where large amounts of structured data were available to identify trends (e.g. Health & Safety and cost plans).
- Question from JWa: How do you overlay new factors outside what happened in the past? RBJ said that while a mega project may have some novel elements, the constituent parts (e.g. building a road) usually have at least some historic basis; projects rarely have exclusively novel elements. DL algorithms help to “super-charge” domain expertise rather than replace decision making.

Mark Turner (former Chair, IRM [Innovation SIG](#)): *Extended Enterprise Complexity Analysis*

- Shows the interconnections among all organisational relationships, including supply chain, investors, customers, joint ventures/business partners, and how multiple organisations are linked directly and/or indirectly (“Six degrees of separation”). This in turn would reveal where risks lie in terminating relationships or where competitive advantage may be gained in strengthening relationships.
- Question from AP: [internet connection cut]
- Comment from RH: This may be an interesting application for the public sector, given governments’ reliance on extended enterprise.
- Question from RS: What applications could this tool be used for in terms of sustainability? MT said investor relationships, i.e. discovering whether your investors’ other investments are operating in a sustainable and ethical way.

Danielle Mudd (Chair, IRM [Infrastructure SIG](#)): *Skyline visualisation*

- Visual representation of how to factor risk into option selection for project management. The tool showed a bar chart of impacts from risk (below the line) and opportunities (above the line). Depending on appetite and tolerance, this chart could help determine which projects are pursued. It could be adapted in different ways, for example, looking at one single risk or one project instead of multiple projects, or at different projects along specific types of risks. Building on JWa’s risk map, it could also depict key threats against values.

Martin Massey (Chair, IRM [Climate Change SIG](#)): *Tool integrating climate change considerations into supplier selection and management*

- MMA was developing a tool around climate change governance, scoring and RAG mechanisms to support decisions around supplier selection and continuing with particular suppliers. The tool would facilitate understanding of how suppliers are dealing with climate change and how responsible they are. It would ultimately portray how companies are dealing with their value chain.
- If SIG members are interested in knowing more about this subject,...
 - MMA was writing a book on integrating climate change into risk management processes.

	<ul style="list-style-type: none"> - Please see Climate Change Risk Management Guidance developed by the Climate Change SIG earlier this year. <p>Anita Punwani (Chair, IRM Environmental & Social Governance (ESG) SIG): <i>Fault tree on Social Responsibility for Hazards</i></p> <ul style="list-style-type: none"> - The ESG SIG defined ESG as governance of purpose-driven organisations with the intent to fulfil social responsibilities ethically and sustainably. This theme linked to organisations’ responsibility for protecting society from hazardous industrial activities, and the resulting environmental and social impacts. - A fault tree would depict what may cause disasters to happen, e.g. regulatory failure, cultural failure, etc. Organisations could then use this information to better understand their role in mitigating risk. In addition, a fault tree was versatile as it could start out qualitative and then have data built in. It could also have probabilities and impacts. <p>Sarah Gordon (Chair, IRM Innovation SIG): <i>Risk map showing Impact vs Action Required</i></p> <ul style="list-style-type: none"> - Inspired by the values vs impact map presented by JWa, SG presented a map showing impacts on objectives (X axis) vs to what extent action is required (Y axis). This map could be useful for prompting management discussions around where we want, or don’t want, to take additional mitigating actions based on our tolerance. 	
Closing notes	SG asked the group for feedback on the open-mic session, and whether it was useful. The group said ‘yes’ and that they would like to repeat the format at the next Innovation SIG. SG invited anyone who would like to present an idea to email her on sarah@satarla.com . The theme was sustainability and responsibility.	All
Other IRM events	<ul style="list-style-type: none"> - AP called out that on 3rd March, the ESG SIG would hold an event on Sustainable Development and Investment (details on the ESG SIG website). - MMA highlighted that: <ul style="list-style-type: none"> - The IRM had published its Risk Predictions Report 2022 covering climate-related and other emerging risks. - A survey had been emailed to SIG Climate Change SIG members and other SIG/RIG chairs on how organisations were integrating climate change into their ERM frameworks. The results may be used for a future IRM publication. - Webinars on climate resilience, operational and financial resilience, reporting and disclosure, and accounting standards were being planned. - SG noted that a Climate Change risk management training course was being offered by the IRM and Imperial College. - DM invited attendees to please contact her if they would like to help organise the risk ‘hackathon’ in June (see Infrastructure SIG website). Other SIGs were also welcome to suggest ideas for problems to solve. - DM also said the Infrastructure SIG’s 2022 theme was on the transport sector. They were keen to connect with other SIGs who have links in the sector who could support on developing best practice information. 	
Closing and Next meeting	SG summarised the session, thanked everyone for joining and said the next meeting would be held on Wednesday 4 May 2022 at 17.30 – 19.00 UK time.	SG