



Resilience2Risk™

The 'Mask' Effect

There are lots of stories of risk in the news these days – risky investments, risky practices, risky relationships. When running a business, there is often little focus on risk and the extent it may impact every step of the way. That's because we are not looking for the signs, or, if we do see them, we don't know how to read them.

I call that the 'Mask Effect'.

The consequences of risk hidden under a mask can turn into a whole lot of costs – diverted resources, budget overruns and missed opportunities. Think of risk as a virus, spreading quietly, undetected. Left unchecked it can lead to disaster. But by building resilience to the risk with vaccines, education and treatment, risk can be avoided or contained. It's the same in business.

So what's involved in beating risk? It's simple. Take the mask off. Be proactive and develop resilience to risk. First, take the time to probe into the weaknesses, the exposures, the threats; next, educate internally on what the risks look like and how to tackle them; and third take targeted action to manage the risk.

The rewards of uncovering the risks before they root are many - improved efficiencies in work production, increased client or customer loyalty and enhanced productivity and growth. So why don't businesses pay more attention to risk? Because they are not prepared to look closely, to question, to assess; because they are reluctant to spend the time, commit the resources, hire the expertise. Sure all of those things, but mostly, because they don't know the risks are there.

Do we need to be reminded of banking fiascos that became bank bailouts, investment villains that made-off with millions or tainted products that cost profits and reputation? Extreme examples, yet in all of these cases, the signs of risk were there but went unheeded. And it could happen to any business. However, by removing the mask, identifying the risk and building resilience to it, a business can get ahead of the curve and enjoy enhanced productivity and growth.

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