



theUriahgroup

A Food Security Primer: Risk to Recovery

A Six-Part Series

Part 2: Developing an Effective Risk Management Model

“The goal of a risk management plan is to reduce the probability, severity, or exposure of an identified threat.”

Standing watch on the bridge of a U.S. Navy Destroyer on escort duty with a Carrier Battle Group teaches you risk management at the up-close-and-personal level. As the Officer of the Deck, you constantly challenge your mind to play through the various emergencies that would require immediate and effective action. At risk are not only the lives of your crew but also the safety and operational effectiveness of the entire Battle Group. Mother Nature is a tough and unforgiving task master on ships and sailors at sea, but when you add the threat of an adversary intending to do harm, the operating conditions enter a whole new realm of complexity and danger.

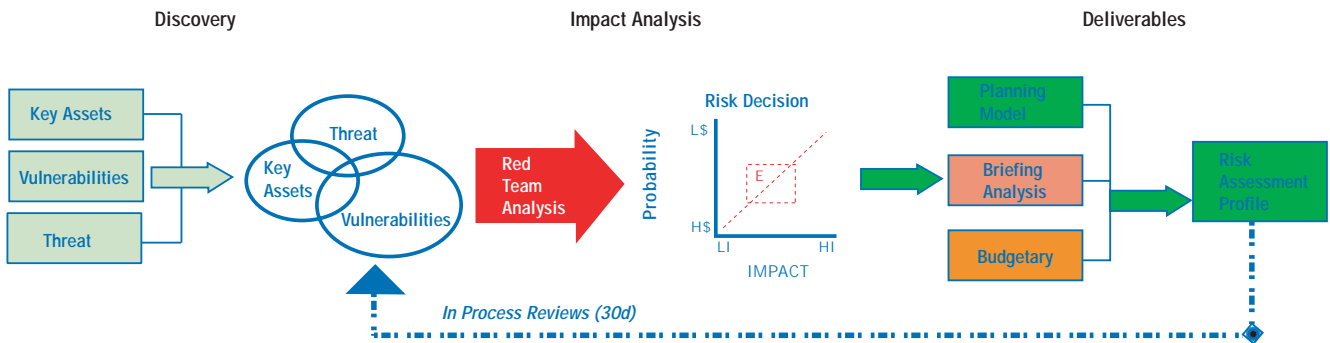
From this scenario, we can draw a number of similarities to the risk management world of food security. Mother Nature certainly challenges us on a daily basis with the potential for naturally-occurring foodborne contamination. Add the intent and the means to contaminate our food supply, we have a risk management and mitigation profile that equals that ship's officer sailing “in harm's way.” In this, the second of a six-article series, we will look at how we can measure, plan, and prepare for such an attack as we work through the basics of developing an effective risk management model for our firm.

Definition: Risk Management is the systematic, analytical process used to determine the likelihood a threat will harm an asset or resource, to identify actions that reduce the risk, and to mitigate the consequences of an attack or event.

Risk Assessment

Risks generally cannot be completely eliminated, but understanding the known or potential treats can reduce their impact. In our model, we start with a Risk Assessment Process (see Figure 1) to identify those hazards and their impact and finally to develop an assessment profile for the particular business.

Figure 1: Risk Management Phase

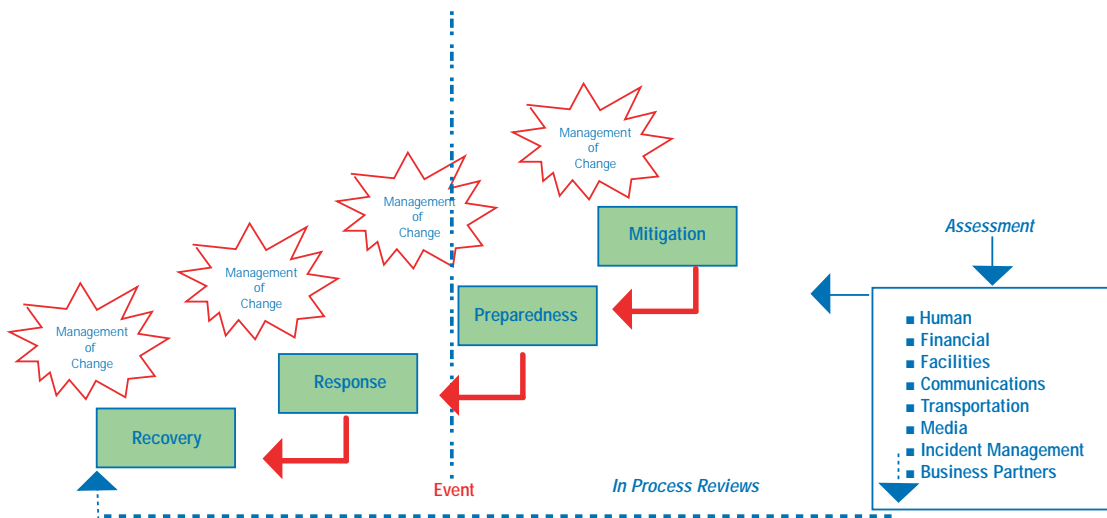


We begin the identification of the hazards, or the “discovery phase” of the model, with an analysis our key assets: our people, facilities, information systems, transportation networks, warehouses, etc. This requires little creative analysis, as the assets are readily accessible to the management team. The threats, on the other hand, do take some research and analysis. The information is available for an industry in an unclassified form from multiple sources, including trade associations and federal, state, and local food security teams. Given the assets and threats, a reasonable and calculated analysis can enable your team to develop your perceived vulnerabilities. Not all the assets, threats, and vulnerabilities make it to the top of the list of risks. In the Venn Diagram in Figure 1, the places where the circles overlap indicate the areas for further analysis. The ensuing impact analysis is time-consuming but critical to the success of the assessment and the overall plan. The resulting X/Y plot is but one method to trade off probability with impact. The more careful and thorough the impact analysis, the larger the area of coverage and preparation for a potential incident. This analysis directly feeds the development of the risk assessment profile, which provides the company with the basics to begin risk planning.

Risk Planning

To develop our risk management plan we now take this developed profile and align it with the Business Continuity Factors, which are the critical factors we need to monitor and protect to ensure our risk plan is focused. These factors vary from business to business. Our list is displayed in Figure 2: human, financial, facilities, communications, transportation, media, incident management, and business partners.

Figure 2: Risk Management Planning Phase

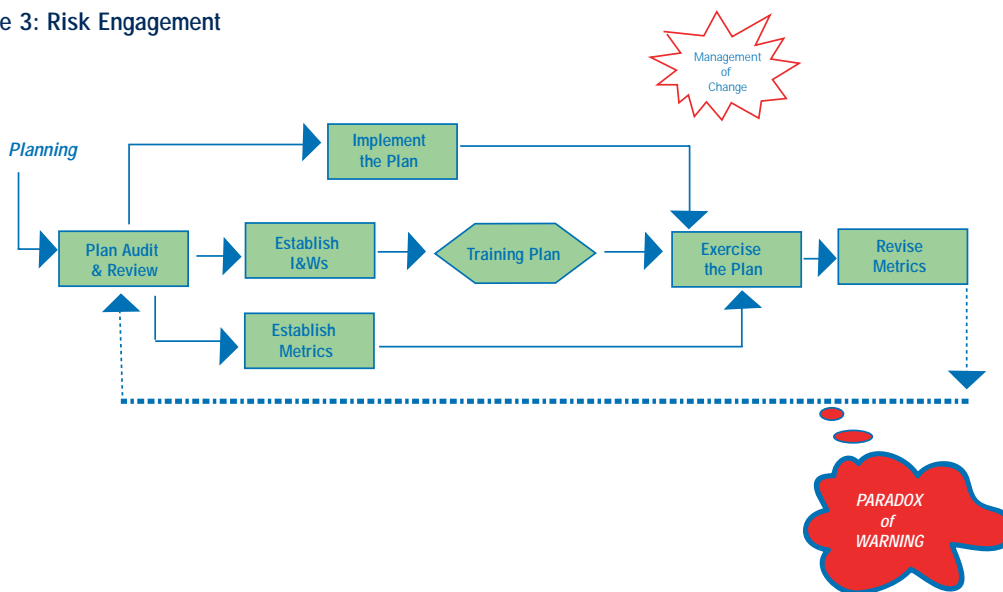


All of these are critical factors in our planning. The plan development takes these factors into account during the four phases of risk management planning: mitigation, preparedness, response, and recovery. These phases will be discussed in the next four articles. You will note the change management impact is displayed at each phase. This indicates that in order to implement an effective risk management plan, the entire team will need to be empowered to take action. This will take not only training and exercises, but also the commitment and support of the entire team. This comes with involvement in and understanding of the planning process. Keeping the team informed of the how, why, where and when is a major step in this direction.

Risk Engagement

Of course, planning is a continuing process, and exercise and training are what make it continuous. With thorough and repetitive audits both the plan and the assessment criteria, the plan stays current and you may be able to sleep at night.

Figure 3: Risk Engagement



The approved Risk Management Plan becomes the basis for action. Establishing Indicators and Warnings (I&W) to provide your team with the “what to look out for” is critical to turn the plan into reality. After all, few of us have the luxury of the overhead that would enable the team members to do the same analysis you just completed. The I&Ws are that shortcut. As with all good plans, you will need to measure your successes and adjust the plan accordingly. Finally, the risk engagement of the plan involves the training and exercise of the plan. Without this, the plan will be just another book on your shelf of other reference material that is seldom disturbed from its slumber. The most important element in this model is not the assessment of the vulnerabilities, the focus on Business Continuity Factors, or even the Plan itself; it is how the plan is exercised and trained. Action speaks.....

The finally we come to the “Paradox of Warning”. This is an old intelligence rule that basically states that no matter what emphasis or funding you put on protecting your business, when the bad guys hit elsewhere, did they do so because of the steps you took or did you waste your money because you were never the target? You will never know.

Next month we will begin to address the results of our tabletop exercises, their lessons learned, and what you can do to enhance your overall Risk Management Plan. ■

Gordon Meriwether and Rita Goodell are principals with the The Uriah Group, a veteran-owned small business located in Falls Church, VA, dedicated to delivering effective, real-world solutions for emergency response. We provide management, technical, and training consulting services to our clients, ensuring their customers, employees, and community have a secure environment in which to work, eat, rest, shop and play. You can contact the writers are gmeriwether@uriahgroup.com and rgoodell@uriahgroup.com.