REAL RISK MANAGEMENT

An exclusive article series brought to you by Lexipol

By Gordon Graham

Part 1:
- Are You Biased When It Comes to Risk?
- Problems Lying in Wait
- Are There Walruses in Your Risk Management Plan?
Risk is everywhere, in every facet of our lives. In public safety, risk is even more prominent. From damage to one’s career to the deaths of innocent citizens, the consequences of poor decisions or poor training are real, immediate and, occasionally, devastating. And yet, too often we fail to identify the risks and build the necessary organizational infrastructure to protect against them.

This article series is designed to introduce you to the concept of real risk management—an approach that goes way beyond a safety program to encompass the 10 Families of Risk and to demonstrate how better understanding these risk families can help you anticipate and mitigate the risks in your own organization.

Whether this is your first introduction to Gordon Graham and risk management, or if you’ve been following his innovative approach for years, this series has something for every public safety leader. We hope you enjoy the articles in Part 1 of this series, and encourage you to follow along as we publish additional installments.

Remember: Predictable is preventable.
About the Author

Gordon Graham is a 33-year veteran of law enforcement and is the co-founder of Lexipol, where he serves on the current board of directors. He is a risk management expert and a practicing attorney and has presented a commonsense approach to risk management to hundreds of thousands of public safety professionals around the world.

During his law enforcement career, Graham served as a motorcycle officer and a sergeant before being assigned to a headquarters office staff position. He helped design the department’s first DUI task force, assisted in the development of the DRE (drug recognition program), was an instructor in the initial “Mod I and II” Haz Mat program and wrote many technical papers. Graham also revolutionized law enforcement training in California with his SROVT program: Solid, Realistic, Ongoing, Verifiable Training, for which he was awarded the California Governor’s award for excellence in law enforcement training. Graham held his law enforcement headquarters assignment until his service retirement in 2006. In 2008, he was awarded the Lifetime Achievement Award from California POST.

During the 1990s Graham began delivering risk management training programs to private sector organizations, including those involved in commercial real estate, hospital operations, manufacturing companies, aerospace operations, nuclear power plants, auto racing operations and many others. He co-founded Lexipol in 2002 with Bruce Praet. Today, the company is the nation’s leading provider of state-specific policy and training for public safety organizations.

Graham also expanded his efforts to assist other public safety organizations and in 2002 worked with Chief Billy Goldfeder to develop FirefighterCloseCalls.com, which is now recognized as an essential source for information about firefighter safety. He later assisted the International Association of Fire Chiefs with a similar effort—the development of the FireFighterNearMiss.com safety site. In 2005, the IAFC awarded Graham the Presidential Award for Excellence for his lifelong work in improving firefighter safety and performance.

Graham holds a master’s degree in Safety and Systems Management from University of Southern California and a Juris Doctorate from Western State University.
Gordon Graham here, and thanks for taking the time to read this brief piece (designed to be read in six minutes or less)—the first of many to introduce you to the breadth and depth of “real risk management” and what Lexipol can do to help you address the real risks you face in your law enforcement organization.

If you have been to my live programs, I often throw around a nasty four-letter word: bias. Law enforcement around America has been accused of “bias” quite a bit lately and there is a lot of sensitivity about how this word is used. Racial bias is a very hot topic, as is news media bias. But the bias that I want to start with relates to the bias I face every time I talk about “real risk management.”

Too often, I meet people prior to a live program, and they ask, “What are you going to talk about?” I tell them “risk management” and their response is “Oh, I know what that is.” A conversation follows where they explain to me that they have a “safety” program in place and they don’t need to hear my presentation.

Everything you do as a law enforcement executive—and I mean EVERYTHING—involves a level of risk.

I politely tell them that having a robust safety program is part of a good overall risk management program, but I inform them (again politely) that “real risk management” is more than the “safety” stuff. It is more than the ergonomics stuff. It is more than the code enforcement stuff. It is more than the indemnification stuff. It is more than all of that.
If you don’t get anything else out of this brief writing, please leave with this: Everything you do as a law enforcement executive—and I mean EVERYTHING—involves a level of risk. There is a risk involved in hiring people. There is a risk involved in firing people. There is a risk involved in training your people. There is a risk involved in the performance evaluation process. There is a risk involved in maintaining your fleet.

Everything you do involves a level of risk! And when I say that to people, the reply usually goes something like this: “But we do thousands and thousands of things in law enforcement—how do we get a handle on addressing and managing all of those risks?”

Thirty-five years ago I did not have an answer to that question. But I heard it often enough that over a period of years I put together a series of programs to help make it easier for law enforcement professionals to understand and implement risk management.

**One of my programs is entitled “The 10 Families of Risk”. What I have tried to do is to take all of the risks you face and put them into 10 families. These families are:**

- **External Risks**
- **Legal and Regulatory Risks**
- **Strategic Risks**
- **Organizational Risks**
- **Operational Risks**
- **Information Risks**
- **Human Resources Risks**
- **Technology Risks**
- **Financial and Administrative Risks**
- **Political Risks**

My goal in writing these brief articles is threefold. First, I want to expand your knowledge regarding the value of “real risk management.” Second, I want to show you how to identify the real risks you face in your law enforcement organization and how to address those risks. And finally, I want to show you how Lexipol can help you manage some of the risks you face.

But before we explore these “families” of risk, I want to spend some time on why government entities do not fully understand the value of this discipline and what you can do to get “real risk management” fully inculcated into your operations.

Until next time, thanks for reading!
Gordon Graham here, and again, thanks for taking the time to read this brief piece. In my last article I introduced you to the breadth and depth of “real risk management” and why this discipline is much more than the “safety stuff.”

In this article, I want to further explain why too many government organizations—including the high-risk occupations involved in public safety in your communities—don’t take risk management seriously.

When I say this in a live program, I often get some pushback: “What do you mean we don’t take it seriously?” My response to this is pretty simple: Let’s take a look at your city/county/state organizational chart. Where will I find risk management on your org chart?

If risk management has its own box, I will be very surprised. And if it is near the top of the org chart, you can stop reading this piece right now because clearly your entity “gets it.” But too often I see risk management sharing a box with maintenance or human resources, someplace in the middle or lower levels of the organizational hierarchy.

Here is a second test for you. Pick up your government phone directory and look for risk management. Again, if there is a dedicated risk manager in your entity, I will be surprised. And I guarantee you that you will have many more lawyers in your phone book than risk managers.

Why am I boring you with this? Lawyers focus on fixing problems after they occur. Real risk managers focus on addressing problems before they occur. It is an entirely different way of thinking—a different bias, if you want to look at it that way. It is the constant battle of spending time and money up front to prevent problems from occurring. The alternative is spending much more time and resources after problems occur. On my recommended reading list is a great book by two Harvard guys...
(Bazerman and Watkins), *Predictable Surprises*. The authors capture the essence of the problem with some thoughts on the shared traits of predictable surprises and why so many people in so many organizations ignore problems lying in wait.

Another great work along similar lines is Margaret Heffernan’s *Willful Blindness*. She lays out in great detail why so many people in so many organizations are aware of problems, yet they do not act, and again and again ignore problems lying in wait.

We can do so much to thwart bad outcomes if we are committed to real risk management. And maybe this is just me, but I want this transition to real risk management to occur prior to some disastrous event.

Here is a definition that I will be referencing throughout this series of articles. Webster takes a stab at defining risk as “the possibility of meeting danger or suffering a harm or loss, or exposure to harm or loss.” As a follow then,

**Risk management is any activity that involves the evaluation of or comparison of risks and the development, selection and implementation of control measures that change outcomes.**

Or more simply stated, risk management is the process of looking into the future (short or long term), asking what can go wrong and then doing something to prevent it from going wrong. Remember **RPM—Recognition, Prioritization, Mobilization**.

Last time, I gave you a brief overview of the 10 Families of Risk. In our next piece, I will tackle Family One, External Risks. Until then, please take a look at what we are trying to do at Lexipol to address the risks you face in public safety operations.

Thanks for reading!
Gordon Graham here. As I promised in my last piece, I want to spend some time covering each of the 10 Families of Risk and get you thinking about what specific risks apply to you and your organization in each of these families, and what control measures you have (or should have) in place to address each of the identified risks.

Family One is the External Risks. This is the most difficult family of risk of the 10 that we face in public safety operations because we have little or no control over these risks. Weather is an external risk. Pandemics are an external risk. Immigration and emigration are external risks.

ARE THERE WALRUSES IN YOUR RISK MANAGEMENT PLAN?

I think it was Mike Tyson who said, “Everyone has a plan until they get punched in the mouth.”

If you have refineries in your vicinity, that is an external risk. If your community is adjacent to an ocean, that is an external risk. If your community is in the flight path of an airport, that is an external risk. If you have an interstate highway or train tracks or pipelines going through your community, that is an external risk. And of course, terrorism is an external risk.

So the challenge becomes identifying the external risks you face, and then making sure that you have control measures to address those risks. Hopefully most of these risks are addressed in your community disaster management plan, in which you have laid out the nature and scope of the risk and what to do in the event that the “unthinkable” event occurs.

TIMELY TAKEAWAY

If the first time your department personnel meet employees from other departments in your jurisdiction is after a tragedy occurs, that is too late. There are a lot of very well written papers on the value of “pre-incident” exposure to each other. The mere fact that someone knows your first name will help facilitate a better response to a tragedy in your community. Please organize some events in which your people will get to know each other prior to a tragedy.
I think it was Mike Tyson who said, “Everyone has a plan until they get punched in the mouth.” While he was talking about the sport of boxing, his words are applicable to disaster preparation. In my 40-plus years of responding to wildland fires, earthquakes, riots, plane crashes and similar tragedies, I have witnessed a lot of great plans that fell apart after the punch in the mouth.

To prevent this from occurring, you need to ensure today that your plans are in fact viable. Are they properly designed? Are they up to date? And do your people know what their specific role is when the plan needs to be implemented—in real-time and under a lot of pressure?

I commend to you a great book: *Disastrous Decisions* by Dr. Andrew Hopkins. Please take a close look at the mess that British Petroleum got involved in following the oil well blowout in the Gulf of Mexico. Read the chapter regarding the “well written” disaster management plan that BP had in place for such an event. Pay particular attention to the several pages in the book regarding the importance of protecting walruses in the Gulf of Mexico in the event of an oil spill.

For those of you who are not familiar with aquatic life and what type of species can be found in what bodies of water around the world, there are no walruses in the Gulf of Mexico. What we later learned was that BP took an existing disaster management plan
from the North Sea and essentially did a “search/replace” exercise to create a separate “new” plan for their work in the Gulf. This combination of laziness and arrogance was appalling. Sadly, I have seen similar “search/replace” efforts in public safety agencies in our nation.

Let me wrap up this piece regarding external risks with some thoughts about terrorism. The truth is that if someone in your community wants to behave badly, they are going to do so. In a free society it is very difficult to prevent “external intentional misconduct”—and that is what terrorism is.

While it is difficult to prevent, we can thwart it by using two techniques: vigilance and random irregularity. We must be vigilant! Sadly, vigilance wanes over time and complacency becomes the norm, until the terrorist act occurs, at which point we once again become vigilant. Another great book, *Predictable Surprises*, details this cycle with disaster and complacency.

Next, we need to instill in all of our people the value of “random irregularity.” Within your standardized best practices, please do not become too predictable on where you eat and where you park and how you respond to calls. All bad people have done throughout history is to study their intended targets and look for patterns. Then they exploit those patterns to help achieve their nefarious goal, whatever it might be.

I look forward to sharing some thoughts on the second risk family—Legal and Regulatory Risks—in my next article. Until then, please remember that real risk management is an important part of your future success.