

# **ISO 31000**

## **Risk Based Decision Making**

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# Agenda

Why this talk matters

Quality profession disrupted

Critical terms

ISO 31000 deep dive

Lessons learned



# Why This Talk Matters

**Story:** You have in your pocket, all the information in the world available through your smart phone

**Key disruptor:** What are you going to do when all the reliability tools for your work/career/job is available on your smart phone?

Call it your Work/Career/Job Siri or Alexa

What is going to be your personal differentiator or value add at work?

# Disruption In Quality Profession

1. What is 'Risk' definition?
2. What does 'Risk Based Thinking' mean?
3. What is the future of standards development?



# 1. What is Risk?

Risk - ISO 31000, risk is 'effect of uncertainty on objectives.'

Disruption: How to operationalize this definition?

So, what should quality do?

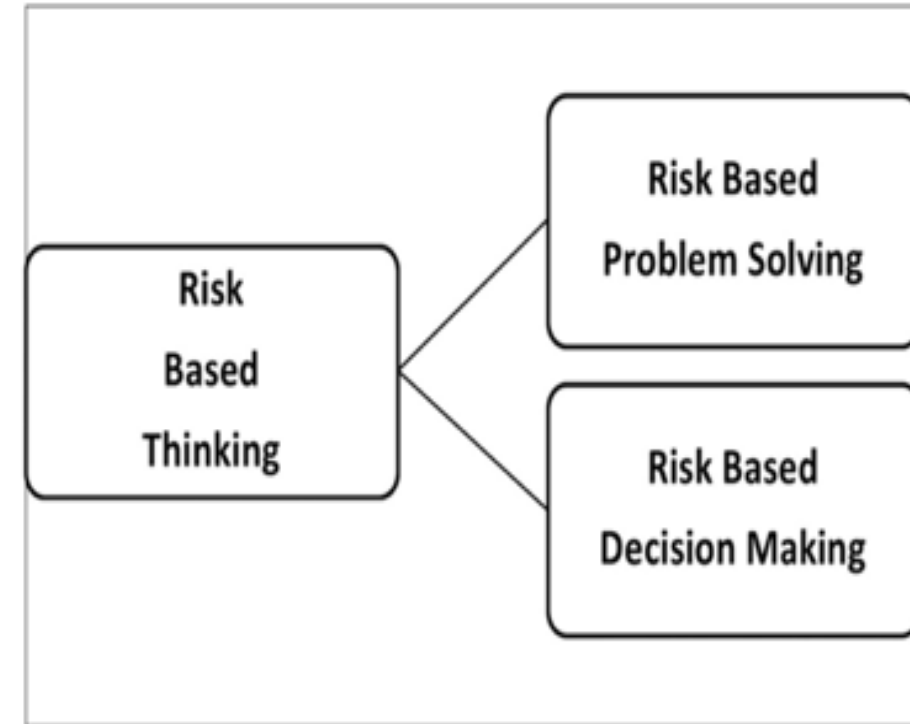
Redefine ISO 31K risk definition to:

“Effect of uncertainty on the ‘achievement of’ objectives



## 2. What is Risk Based Thinking?

- Risk Based Thinking is (our definition)
- Third party auditor can reach same decision (assurance) as Risk Based Thinker



# 3. What Is Future of Standards Development

- ISO 31000 is a guideline NOT a standard
- NOT used for certification
- So, what is going on?
  - **What:** World's biggest CB's are issuing ISO 31000 Certificates of Conformance
  - **Why:** Serving growth markets and revenue needs
  - **How:** Developing new revenue models and certs

## ISO 31000 Certification

Get your ISO 31000 Risk Management system certified with BSI.

[Ask for a quotation](#)

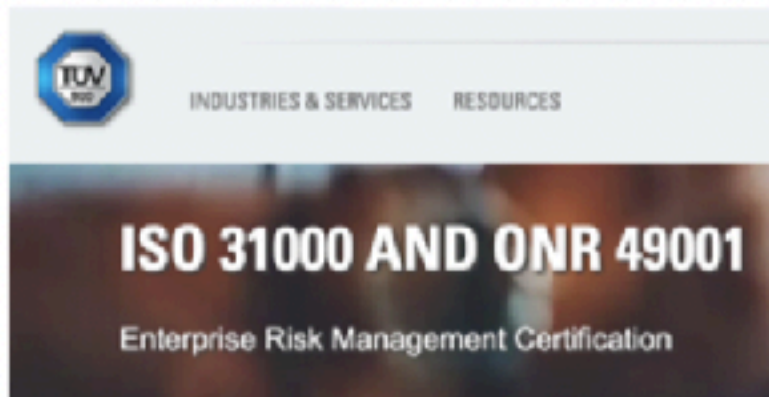
### Marks and certificates

Once it passes the certification process, the organisation obtains:

- Risk Management Certificate according to [UNE-ISO 31000](#).
- License to use the AENOR brand of *Emergency Management*.



AENOR Brand  
Risk Management  
ISO 31000





# Critical Terms

**Risk** – Effect of uncertainty of objectives (ISO 31000:2018)

**Risk management** – Culture, processes and structures that are directed towards the realization of potential opportunities and the effective management of adverse effects. (ISO 31000 Risk Management)

# How Do You Make Decisions?

- Do you know how you decide to decide?
- For your company?
- For yourself?

# What is a Framework?

- Framework is a structure upon which to build strategy, reach objectives and monitor performance
- Framework is a set of controls and/or guidance organized in categories, focused on a particular topic
- Most frameworks follow a logical cycle



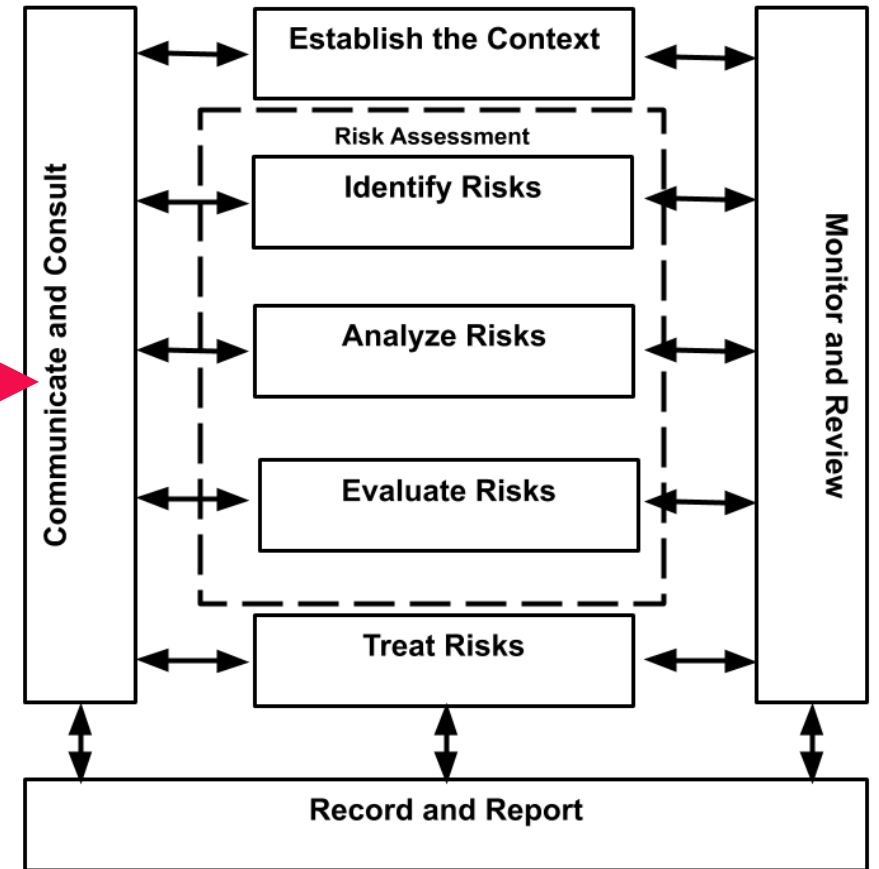
# Plan - Do - Check - Act

- PDCA is best known framework
- PDCA is 4 step model for change
- Most if not all ISO standards are based on it



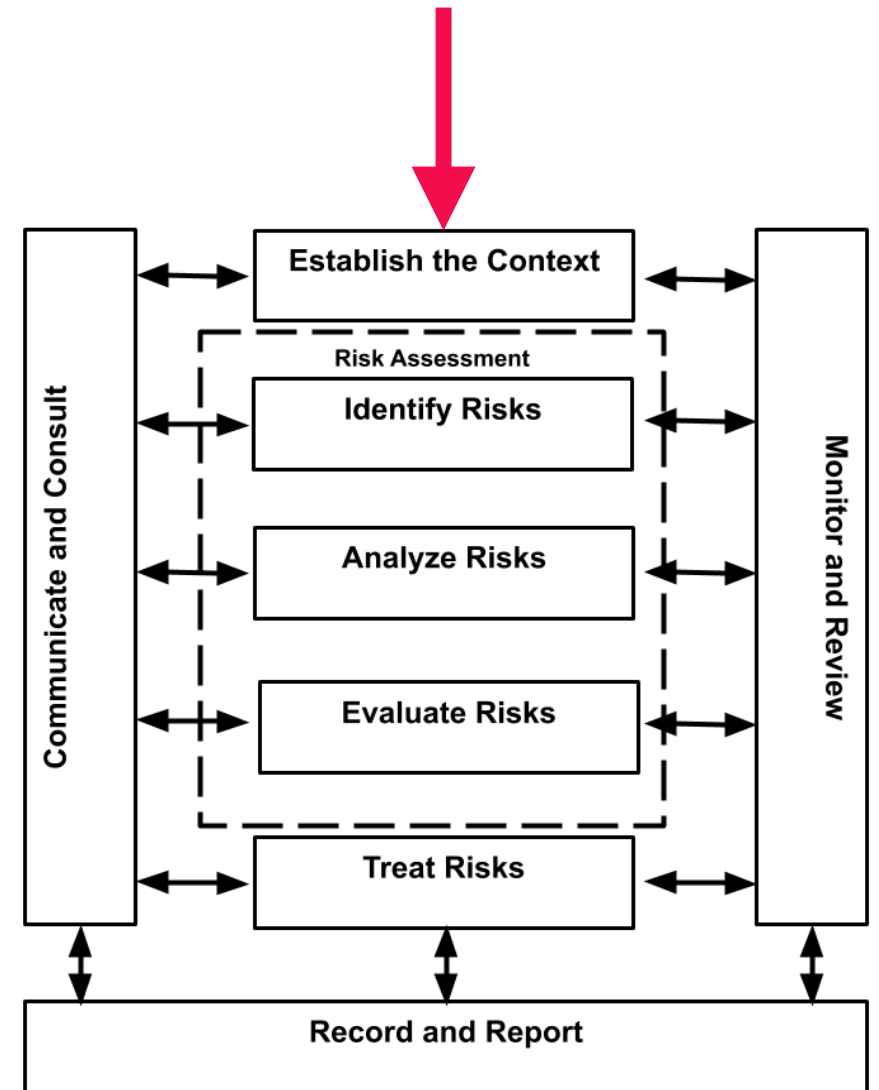
# Communication and Consult

- Who are stakeholders?
- Do the right stakeholders have the right information at the right time to do what they want to go
- What problem are you trying to solve?



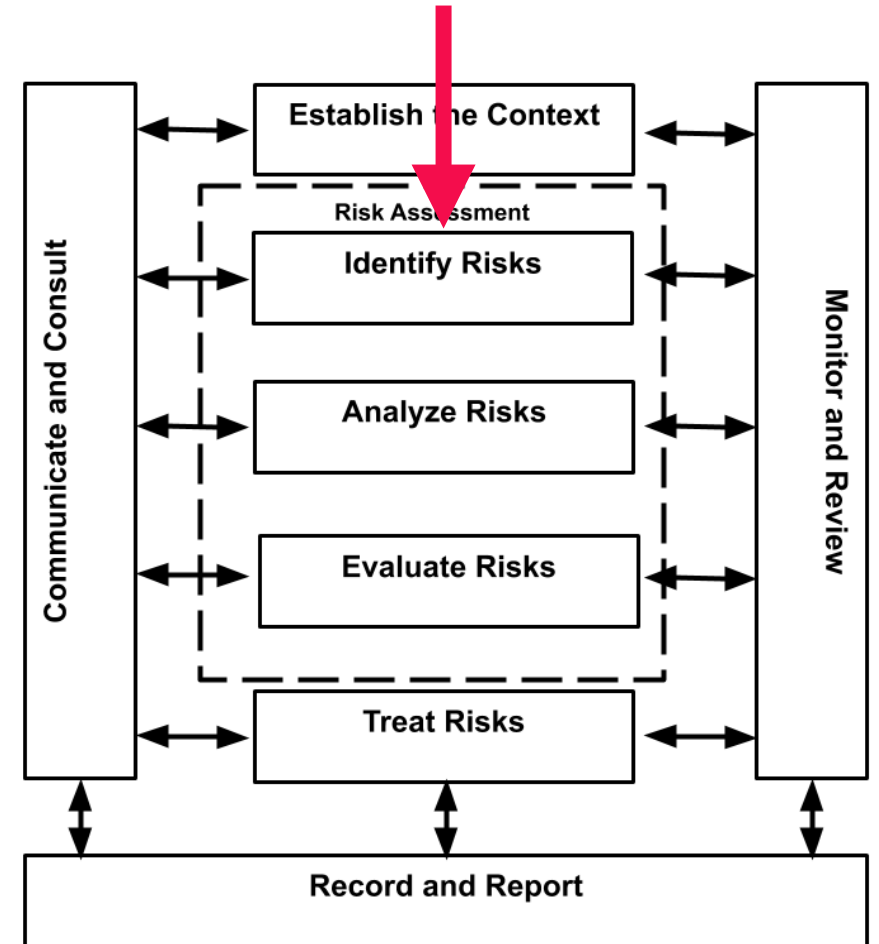
# Establish the Context

- What problem do you want to solve?
- Why do you want to solve the problem?
- What is the scope of the problem?



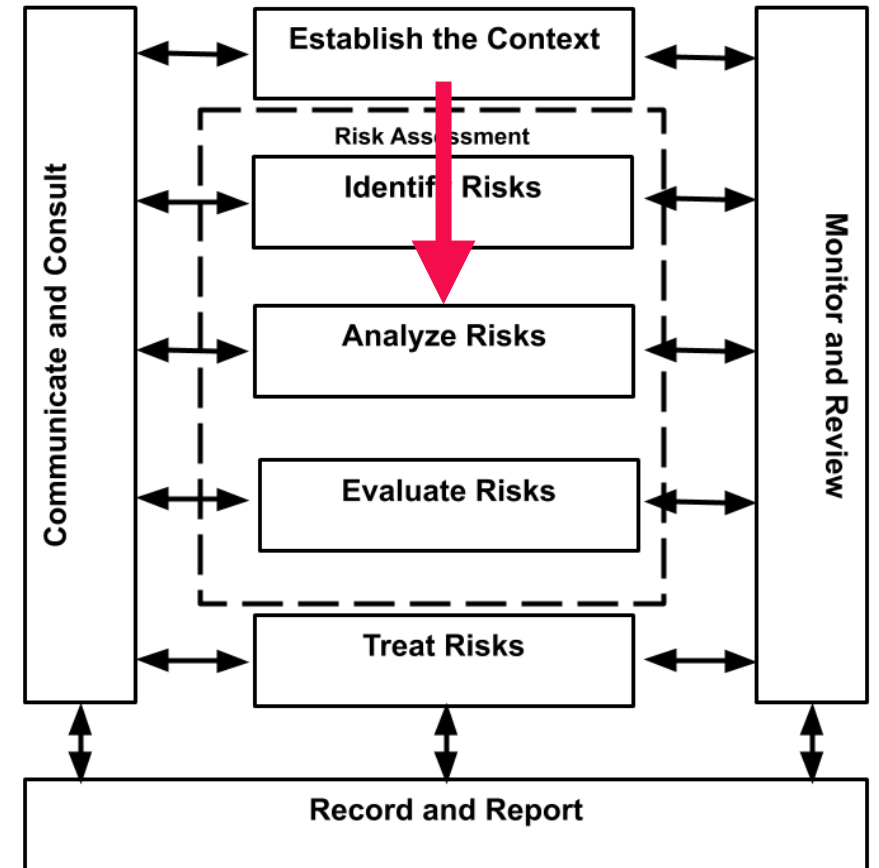
# Identify Risks

- Identify risks or obstacles from reaching your objective
- Risks can be people, process, technology, etc.
- Risks can be at 1. Enterprise; 2. Program, project or 3. Transactional/Product level



# Analyze Risks

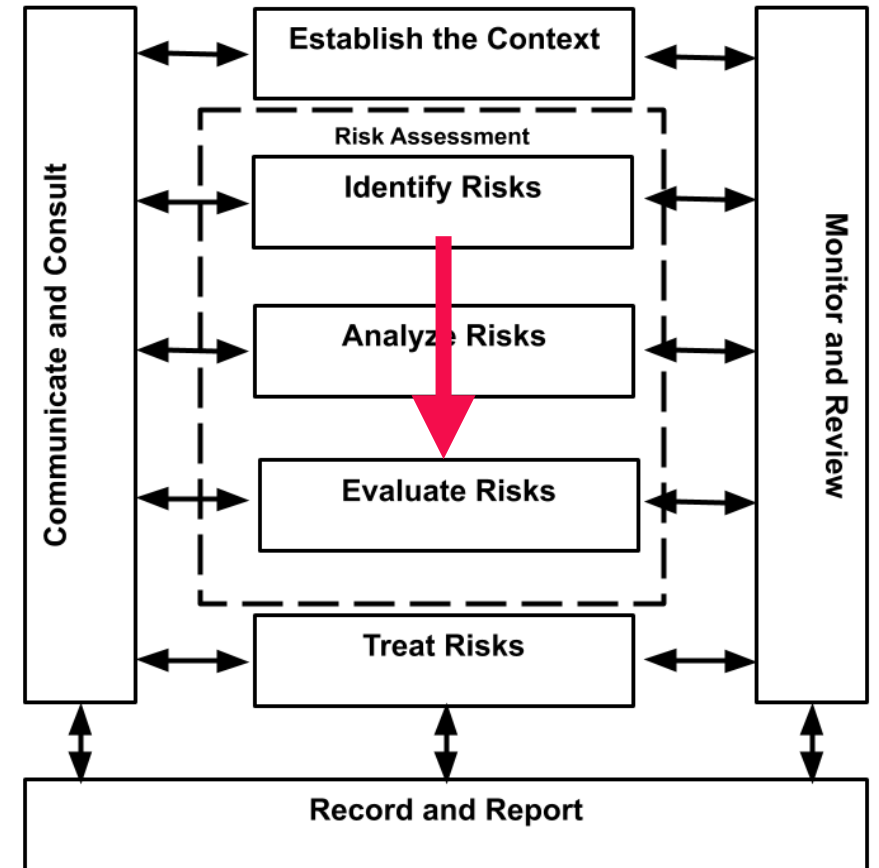
- Evaluate risks in terms of reliability, quality, cost, schedule, etc.
- Evaluate risks in terms of likelihood and consequence
- Evaluate risks quantitatively or qualitatively





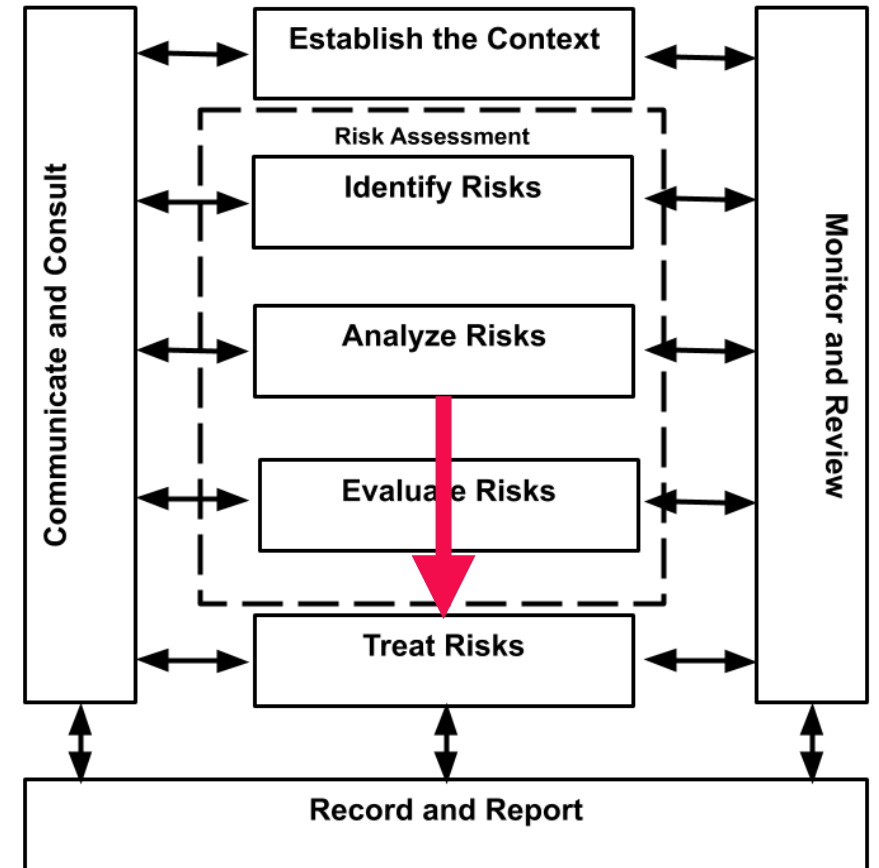
# Evaluate Risks

- What is your risk appetite?
- What is your bosses and organizations risk appetite
- Decision point: If you can do what you want to do within your risk appetite, STOP
- if you can't, go to the next step



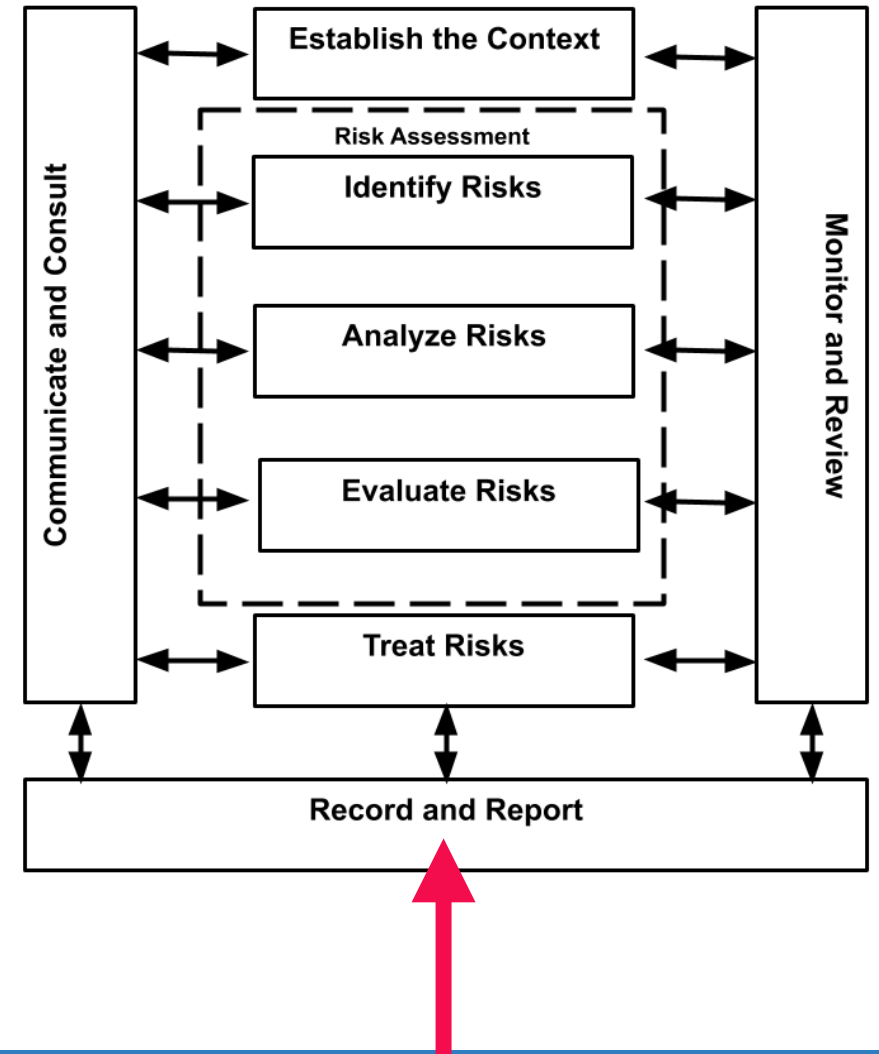
# Treat Risks

- Treat is the same as manage or control your risks
- 4 types of risk management:
  - Reduce risk
  - Accept risk
  - Avoid risk
  - Share risk



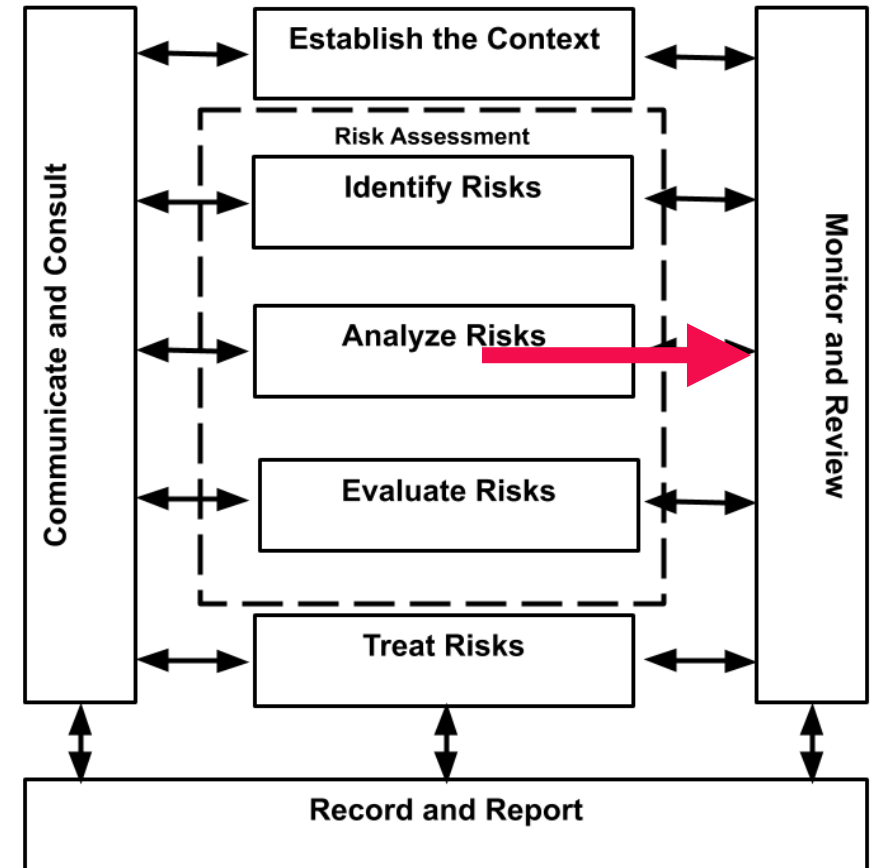
# Record and Report

- Who needs to know what and when?
- What did you learn?
- What CAPA or post action is required?



# Monitor and Review

- Is the objective met?
- Are risks within appetite?
- Have things changed?
- What is the required level of assurance?



# Lessons learned

- How do you make decisions?
- What did you learn today?
- What are your next steps?

**Thank you for this  
opportunity**

**If you'd like to know more  
about your personal decision  
making, check this book out**

