

## YESTERDAY'S INCIDENT IS TODAY'S RISK

“.....risk management at times is viewed as a periodic activity for reporting potential threats, rather than as part of decision-making for taking informed action.”

Carol Fox, Chair, U.S. ISO 31000 Risk Management Standards Technical Advisory Group

### Risk Awareness

At my first IFEA Annual Convention in Fort Worth, TX in 2011, I facilitated a risk management workshop with IFEA President/CEO, Steve Schmader, CFEE and a small number of attendees who were leaders from a diverse range of festivals and events from across the industry. Together, we identified 20 key risks which were typical of all festivals and events. One unexpected outcome that I didn't anticipate from this workshop, was that fewer than 20% of the attendees had a risk management plan in place!

This was the start of my journey to better understand the risks associated within the festivals and events industry and how to increase the awareness of risk management practices, develop industry specific risk management solutions to enhance safety and security for our industry and to provide strategies for organizing committees so that they are better prepared to manage and recover from adverse events.

### How Mature is Risk Management Within our Industry?

Over the last five years, I have had numerous discussions and interviews with CEOs, COOs, Executive Directors and planners / managers about the event risk management. It became very apparent that risk management is still not widely understood or applied within our industry, particularly here in the US.

It's my current estimate that fewer than 25% of festivals and events have gone through a process to identify their risks, quantify and link the risk consequences (impacts) to their festival / event objectives or critical success factors, identify and assign risk control measures (to reduce the likelihood and consequences of the risk), calculate the residual level of risk and determine whether this level of risk is within the organizations "risk appetite" – the risk parameters set by the Board and or CEO.

Paradoxically, while organizing committees and their Boards clearly appreciate that today's festivals and events environment is characterized by risk and uncertainty, only a few truly understand their risks or use an understanding of these risks to make risk informed decisions to support the achievement of their mission and prescribed business objectives for their festival or event.

### Protecting The Things We Care About

There are many definitions of risk management, but the one definition that resonates with me is from the *Risk Management Institute of Australasia [RMIA]*:

“Risk Management is the systematic approach to protecting the things that we care about and maximising our chances of success in all fields of endeavor.”

Managing risk should be considered a crucial part of your business and event planning strategy. Having said that, this is not to say that you are not currently managing your risks but rather you may not be leveraging a risk management strategy which supports:

- **Informed risk based, decision making** that supports the achievement of your mission and business objectives
- **Prioritization of resources** to ensure that budget, people, resources and time are proportionately applied to mitigate those risks which have the greatest impact (negative) on your mission and business objectives
- **Improved compliance** with relevant legislation, city codes & regulations
- Ensures an appropriate level of **“duty of care”** has been considered and implemented, and supports defense against civil litigation
- **Organizational resilience** (business continuity) through anticipating, planning and preparing for adverse events

### Barriers and Challenges – Why Organizations May Not Adopt a Risk Management Approach?

Three of the most common organizational challenges and barriers that I encounter during my discussions regarding why festival and event organizers may not have implemented a risk management strategy or prepared a Risk Management Plan are:

- **“We haven't had any significant incidents to date; therefore, we must be managing our risks effectively, so why do I need another plan?”**
  - This approach is otherwise known as “confirmation bias”, whereby, we tend to favour or interpret information that supports our position (pre-existing beliefs or hypotheses i.e. our plans are effective) and suppress or reject information that potentially contradicts our position - incidents or near misses which indicate that our plans may not be as effective as we think.
- **“If we have a written plan which acknowledges our risks, then we will be further exposed to civil liability if an adverse event occurs!”**
  - Although this maybe a common assumption, from my experience as an Expert Witness, not having

**TABLE 1:**  
**Categories of Risk & Examples**

<b>Organization</b>	<ul style="list-style-type: none"> <li>• Deterioration of the Festivals market share due to competing programs both locally and regionally</li> <li>• Loss of Festival operating structure (e.g. office building / headquarters)</li> </ul>
<b>Financial</b>	<ul style="list-style-type: none"> <li>• Festival revenue does not meet targeted goal</li> <li>• Supplier paid for contracted products / services not received</li> </ul>
<b>Legal &amp; Compliance</b>	<ul style="list-style-type: none"> <li>• Breach of regulation by Supplier or Vendor that leads to fines / prosecution of Festival organizers</li> <li>• Festival site is non-compliant with ADA regulations</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>• Build-out of Festival site temporary infrastructure &amp; overlay not delivered on time</li> <li>• Loss of venue or site</li> </ul>
<b>Health &amp; Safety</b>	<ul style="list-style-type: none"> <li>• Drug related death or overdose</li> <li>• Golf cart accident involving pedestrian on Festival site</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>• Terrorist attack by home-grown violent extremist(s)</li> <li>• Disruption to Festival operations by issue motivated groups (IMG) or persons</li> </ul>
<b>Environment (Natural)</b>	<ul style="list-style-type: none"> <li>• Severe Weather event</li> </ul>

a Risk Management Plan (or Risk Register) is not a defensible argument during litigation.

- **“We don’t have the time or resources to develop a risk management plan”?** Can you afford not to? Organizations that have a risk management strategy in place are better prepared, more resilient and recover more quickly with less reputational damage and financial losses after an adverse event. Do any of these reasons sound familiar?

### Compliance – The Road Ahead?

The Western Australian (WA) Government Coroner Inquest report into a drug related death of a teenage girl at the Big Day Out music festival in 2009 (Perth, Australia) resulted in the revision of the 2009 WA Government guidelines for Concerts, Events and Mass Gathering. This revision also mandated the requirement for event organizers to complete an event risk management plan and medical risk assessment for any event with more than 5,000 attendees as part of their Special Event Permit application process.

Today, the majority of cities, municipalities, councils and universities across Australia, NZ and the UK mandate that event organizers submit a risk assessment for all events (regardless of size).

It’s only a matter of time (and possibly the occurrence of more tragic incidents) before the same requirement is regulated within the US and Canada.

### Today’s Incident is Tomorrows Risk

From the 20 risks identified in 2011, my festival and events’ risk library has grown to 100 plus risks across seven categories which have been aligned to typical functional or department responsibilities within an organizing committee.

These risks have been identified through workshops, discussions and interviews that I have conducted, as well as monitoring current trends and incidents within our industry and across other sectors, both within the US and internationally.

A snapshot of the risk categories and associated risks are outlined in Table 1 below.

Identifying and categorizing your risks is a fundamental starting point for the development of an enterprise-wide risk management plan whereby all organizational risks are

contained in one Risk Register as opposed to “silo” registers maintained by individual functions or departments.

To put this into perspective, a typical Festival & Event Risk Register will contain between 50 – 60 risks.

### Risk – “The Know Knowns, the Known Unknowns and the Unknown Unknowns”

The former US Secretary of Defense, Donald Rumsfeld (2002) summed up incidents and risk in a rather pragmatic way.

“Reports that say that something hasn’t happened are always interesting to me, because as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns – the ones we don’t know what we don’t know.”

In the next edition of the IFEA magazine, I will focus on a current industry risk as a case study, to highlight its causes (sources of risk), recommended risk control measures (preventative, detective and corrective) to mitigate / reduce the level of the risk and the importance of evaluating the effectiveness of existing risk control measures.

What’s in your risk register?

**Peter Ashwin** is the Principal at Event Risk Management Solutions (ERMS Global) based out of Boise, Idaho. Peter is committed to enhancing safety and security for festivals and events through the provision of practical and effective risk management solutions and to prepare organizations to manage and recover from adverse events in today’s uncertain world.

Peter has been engaged as a consultant on over 10 international major events including six Olympic Games and led multi-national project teams in Azerbaijan, the UK, Greece, Italy, and Canada plus projects in Qatar and Russia.

Peter is a Director on the International Festivals and Events Association (IFEA) World Board and a regular lecturer and writer on event security and risk management. He has also been engaged as an Expert Witness for legal cases involving event safety and security.

Peter can be contacted at [peter.ashwin@ermglobal.com](mailto:peter.ashwin@ermglobal.com) or follow his latest posts on [www.facebook.com/ermglobal](http://www.facebook.com/ermglobal)