

Dealing with danger

Level: Upper-intermediate +

Time: 90 minutes

- Summary:** This lesson is about risk management and how to identify and deal with business risks. In this lesson, students:
1. consider what risks their company or field of business is currently facing;
 2. study a text that lays out strategies for identifying, categorizing and dealing with risks, including risks that employees themselves may be creating;
 3. use the strategies outlined in the article to explore the risks their own company is facing;
 4. read a case study and discuss possible solutions to the risks presented there.

Materials: One copy of the worksheet per student

Group size: Any

Note: This lesson plan for both pre-experience and in-work business students is based on an original article first published in *Business Spotlight* issue 4/2017.

Warmer

The warmer question introduces the topic of risk management, applying it to the students' company or area of business.

Key words

Students read the definitions and find the key words in the article. The section numbers are given to help them. They should do this in pairs or groups and discuss their answers. When they have finished, they should read the words again in the context of the article.

Key:

- | | |
|--------------|----------------|
| 1. ambiguity | 6. discipline |
| 2. agility | 7. purpose |
| 3. severity | 8. equip |
| 4. gamble | 9. assumptions |
| 5. appetite | 10. agendas |

Understanding and discussing

the article

Students work in pairs or groups of three, read through the five tasks and choose one (or two) to discuss. Tell them to make notes while they are discussing so that they can use these notes for feedback. (Note: the task numbers relate to the sections in the article.) If time allows, students can repeat the activity by choosing another of the tasks.

Expressions

Students find and underline the six expressions in the article. Then, they talk about what they mean and how they are used in the context of the article and decide what other words or expressions could be used instead (without changing the meaning). Finally, they discuss in what other contexts each expression could be used. As an extension to this exercise, you could ask them to create example sentences for each.

Key (possible answers):

1. a risk that you take after carefully considering the possible results
2. prevent us from realizing or admitting the truth about something
3. refuse to accept a behaviour that seems crazy and that could cause serious problems
4. difficult to agree that something is true (when you know that it is)
5. in complete control of what happens to us
6. a lot of what we do is done automatically, without thinking about what we are doing

Negative prefixes

Students add the correct prefixes to make words from the article. Then they work with a partner, using the words to make sentences about the article.

Key:

- | | |
|-------|--------|
| 1. in | 6. un |
| 2. in | 7. in |
| 3. un | 8. un |
| 4. un | 9. un |
| 5. in | 10. un |

Dealing with danger

Case study: How shall we deal with these risks?

In pairs, students read through the case study, each taking on the role of either Eric or Thomas and reading the dialogue out. They then discuss the questions at the end of the case study and make some notes. Hold a class feedback session before having students compare their notes with the case study feedback in the appendix.

Vocabulary record

Here, students should be encouraged to record all of the new and useful vocabulary they have learnt during the lesson, not only in the form presented in the article but also in related forms.

Related topics on onestopenglish

The following lesson looks at common expressions for talking about risk and danger, and invites students to consider whether they are risk takers:

www.onestopenglish.com/business/business-tasks/pdf-content/business-tasks-risk-and-danger-lesson-plan/156134.article

Dealing with danger

1 Warmer

What risks is your company or field of business currently facing? What consequences may these have?

For example: *Traditional bookshops are losing sales to large online retailers, leading to redundancies and store closures.*

2 Key words

Scan the article to find the key words that match the definitions. The section numbers are given to help you.

1. when something is not clear (section 1) _____
2. the ability to think quickly, solve problems and have new ideas (section 1)

3. the seriousness of something bad or unpleasant (section 2) _____
4. an action or plan that involves risks but will bring important benefits if it is successful (section 3)

5. a feeling of being very interested in something or of wanting it very much (section 3)

6. a subject that people study (section 4) _____
7. the aim that someone wants to achieve or that something is intended to achieve (section 4)

8. provide someone with the skills or personal qualities that they need in order to deal with a situation successfully (section 4) _____
9. things that you consider likely to be true even though no one has told you directly or even though you have no proof (section 5) _____
10. plans or aims that you have not shared with others (section 5) _____

Dealing with danger

Dealing with danger

by Bob Dignen



No business can protect itself completely from all possible dangers so it is all the more important to be able to recognize risks and use the right strategies to deal with them. BOB DIGNEN explains how to achieve successful risk management.

Ever since human beings began to walk the planet, they have had to manage the possibility that bad things might happen. Insufficient rain could mean crop failure. Disease could wipe out entire communities. And there was the danger of violence from people in a neighbouring area or country.

Risks are a key part of life and we need to learn to manage them if we want to protect our way of life.

In recent years, there has been an increased focus on risk management in business and on the cost of not managing risks well. In this article, we look at some of the risks that we need to consider in our working lives – and at some pragmatic strategies for managing them.

1 Understanding risk

There are many different ways to categorize risk. One of the most influential models comes from the US military and is referred to as “VUCA”. This model identifies four main risks:

- **Volatility.** Unpredictable change forces managers to review decisions regularly and possibly change them.
- **Uncertainty.** Unclear and/or missing data makes decision-making difficult.
- **Complexity.** The interconnectedness of global business and cross-border regulations means that standard forms of management control are often inadequate.
- **Ambiguity.** Key influences are frequently unknown. This works against traditional planning.

Donald Rumsfeld, a former United States secretary of defence, described in 2002 the nature of risk in a reference he made to “unknown unknowns”: “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 we don’t know.”

Many people made fun of Rumsfeld’s comments but he had a serious point: we are often unaware that we don’t know certain things.

Organizations face both internal and external risks, some of which are operational, some strategic. External factors include political instability, wars and environmental disasters such as floods. There are also macro business trends, such as globalization or digitalization, and the risk of disruption to established business models.

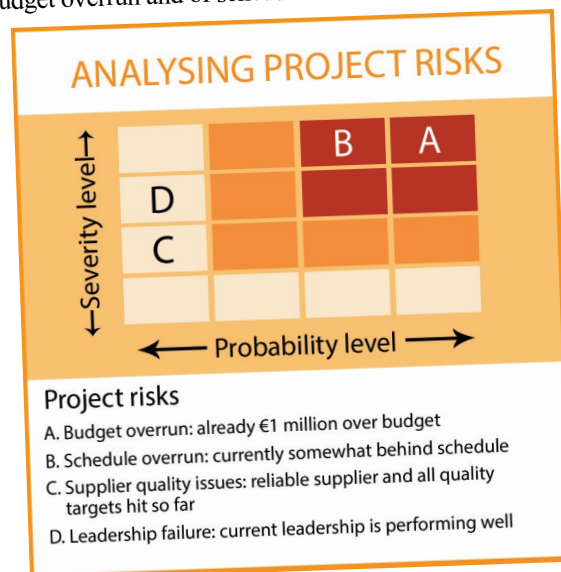
Internal risks include those that affect production processes, IT systems, supply chains, investment and cash flow. Identifying the risks associated with the structures, processes and relationships within organizations is a key part of risk management.

Interestingly, organizational cultures are themselves potential risks. In many organizations, the leadership blocks change and wants to maintain the existing structures. The resultant lack of agility in organizations can be a serious risk to business success.

Classifying risk

The first objective of risk management is to classify risks according to their likely severity and probability. Severe risks with a high probability should be dealt with first. Lower-impact risks, and those that are less likely, can be dealt with later.

Such risk classification can be done using various tools. In the following severity/probability diagram, the project risks in the red area are classified as having higher severity and higher probability, and would require immediate focus. In this case, they are the dangers of budget overrun and of schedule overrun.



Dealing with danger

Dealing with danger

by Bob Dignen

3 Dealing with risk

When the risks have been identified and assessed, there are four key strategies for dealing with them. Here is an example of each type of strategy:

- **Avoid.** In project management, high levels of risk can lead to a project being cancelled, in order to avoid potential losses.
- **Reduce.** Health and safety signs, regulations and training are often used to reduce the likelihood of workplace accidents – if possible, to zero.
- **Share.** The financial risks of unsuccessful research and development can be reduced by outsourcing such activities or taking part in joint ventures. Insurance is another way for organizations to share risk.
- **Accept.** If the cost of insurance is too high or the organization is willing to accept the risk, then no action may be seen as necessary. Instead, a calculated gamble would be taken.

In addition to identifying the potentially negative risks that they are facing, organizations also need to identify risks that are potentially desirable. These risks, which are typically called opportunities, may be overlooked if the risk appetite in a company is too low. The likely result is a dangerous loss of dynamism.

4 Handling people risks

Risk management is often a highly technical discipline. But technical risks probably make up only 50 per cent of the risks within an organization. Particularly in team contexts, it is also essential to consider “people risks”. Here are five common people risks that you should pay attention to:

- **“We don’t get on very well.”** Poor relationships are a huge risk to team performance. Investing time in relationship building is essential and effective risk management.
- **“It’s not clear what we are doing.”** Teams often suffer from a lack of clarity of purpose. You can manage this risk by creating a clear and simple statement of team purpose.
- **“We don’t have enough time.”** No one has enough time these days. This can lead to poorer-quality work, higher levels of stress and the danger of a high staff turnover. Support those around you who are under stress, rather than criticizing their performance.

© Business Spotlight, 4/2017
www.business-spotlight.de

- **“We don’t know how to do this.”** High levels of complexity affect people’s ability to perform well. What do most organizations do? They cut training budgets to save money. Challenge this insanity and equip people with the skills needed to do their jobs well.
- **“Nobody knows who we are.”** People often feel uncomfortable about self-marketing. Yet teams that don’t communicate well in their organizations risk low acceptance of their work and solutions. Selling your team well is a key form of risk management.

Reducing the risk of yourself

It may be hard to admit but one of the major risks to your success is you yourself. We create risks for ourselves and others in a number of ways and these risks need to be managed. Here are three dimensions of “self-risk”:

- **Our biases.** Our assumptions help us to focus our energies on what we feel really matters. Yet assumptions can also blind us to reality. We see what we want to see, hear what we want to hear and become irritated with those who challenge our views. Maintaining a sufficiently open mind is both challenging and essential in an uncertain world.
- **Our behaviour.** As with our thinking, much of our behaviour is on autopilot and focused on our own needs. We arrive at meetings with our own agendas. We listen poorly to others when they are talking about their needs, yet demand attention when we talk about our own. Poor communication and poor listening are serious risks to effective teamwork.
- **Our knowledge.** Expertise can and should be a good thing. Yet it is important to be able to coordinate different types of expertise within organizations in order to make intelligent decisions. If we don’t, problems are certain to come up.

Conclusion

We can never eliminate risks but we can create the conditions and processes to live with them. Many things will remain outside our control. Given the “VUCA” world that we inhabit, we cannot claim to be masters of our own destiny. We live in a complex, interconnected world that requires deep levels of collaboration and sharing if we wish to succeed. Perhaps the biggest risk we all face in the business world is failing to see this.

BOB DIGNEN is a director of York Associates and author of many business English books.

5

Dealing with danger

3 Understanding and discussing the article

Choose a task, 1 to 5. Read the relevant section of the article again. Then, discuss your answers in pairs.

1. Develop your risk awareness

Use the VUCA model to think about the risks that affect your organization. Which risks should your part of the organization focus on and why?

2. Learn to classify risks

Use the severity/probability model to classify some of the risks that might affect your company or team's ability to be successful.

3. Decide how to deal with risks

Reflect on the risks you are facing in your team or organization. Which strategies should you apply in order to manage the risk in the best way possible?

4. Learn to handle people risks

What people risks are you facing in your team or department? How are you dealing with them? How could you deal with them better in future?

5. Learn to manage yourself as a risk

To what extent could you and others benefit from a more open and supportive communication culture, with greater sharing of knowledge? What steps will you take to make this happen?

4 Expressions

a. Find and underline the expressions below in the article.

b. Talk about what they mean in the context of the article. What other words or expressions with the same meaning could also be used?

c. In what other contexts could you use each expression?

1. a calculated gamble
2. blind us to reality
3. challenge this insanity
4. hard to admit
5. masters of our own destiny
6. much of our behaviour is on autopilot

Dealing with danger

5 Negative prefixes

a. Make these words negative by adding the correct prefixes. Check your answers in the article.

b. Use the words to make sentences about the article.

- | | |
|------------------|--------------------|
| 1. ___sufficient | 6. ___successful |
| 2. ___adequate | 7. ___sanity |
| 3. ___known | 8. ___comfortable |
| 4. ___certainty | 9. ___aware |
| 5. ___stability | 10. ___predictable |

6 Case study: How shall we deal with these risks?

Read the case study and discuss the questions at the end. Make notes about each question so that you can later compare your notes to the case-study feedback in the appendix.

An international project team is in the initial phases of an IT project to upgrade production software at different sites around the world. Thomas, a German team member in charge of software installation, has been asked by Eric, his American project leader, to produce a communication plan for the stakeholders. Eric believes that it is important to prioritize communication with senior site management across the company. During their weekly conference call, Eric and Thomas discuss the matter.

Eric: So, Thomas, can we come to the communication plan? How are things going?

Thomas: I'm making good progress. I sent quite a few emails out last week. But you know that I've been very busy with the software vendors, as there are quite a few technical issues.

Eric: But Thomas, we agreed that you would have a detailed communication plan for me by this meeting. You know that I see communication as one of the biggest risks in the project.

Thomas: Yes and I have started making calls, as we discussed.

Eric: OK but I need to see a plan. I want something structured so that I know what is going to happen, with whom and by when. That's a communication plan, not a few calls.

Thomas: Yes but we've had some serious technical issues that are also a risk to the project. These have to take priority.

Eric: I don't agree. We'll manage the technical problems somehow. The real issue is getting buy-in from some of these stakeholders for what we're trying to accomplish. Do you understand?

Dealing with danger

Thomas: OK, I will make some more calls next week and give you an update by email.

Eric: Look, I am in the office on Tuesday. So let's discuss this then. I don't think we're seeing things in the same way.

After the meeting, both Eric and Thomas feel very frustrated with the way that the other person communicated. Neither is looking forward to their next meeting.

What to think about

- What do Thomas and Eric each see as the major risk in the project?
- To what extent do Thomas and Eric understand each other's perspectives?
- How much of a risk to the project is their relationship?
- What should Thomas and Eric do to improve their communication?

Dealing with danger

Vocabulary record: Dealing with danger

verb	noun	adjective	adverb
include			
	collaboration		
		pragmatic	
			regularly

Vocabulary record

Dealing with danger

Case-study feedback

The following comments are provided as food for thought. Different interpretations are, of course, possible.

What do Thomas and Eric each see as the major risk in the project?

For Thomas, technical IT issues are the major threat, as they could potentially lead to delays, cost overruns and internal user dissatisfaction, all of which could cause the project to fail. For Eric, the technical issues are less serious. He sees getting the buy-in of senior management as the real challenge of this project. That is why he wants Thomas to have a clear and structured communication strategy.

To what extent do Thomas and Eric understand each other's perspectives?

Neither has a strong understanding of the position of the other person or an ability to listen. Each sees the project from his own perspective.

How much of a risk to the project is their relationship?

The relationship risk could have serious consequences. If they do not align their perspectives, Eric may lose confidence in Thomas and ask him to leave the project. And such a change of senior staff in a project can send a very bad signal within the organization. If Thomas does continue to work on the project but has a poor relationship with Eric, he may not be very motivated to improve the communication aspect of his job. As a result, Thomas may perform this part badly and this could possibly damage the rollout of the project.

What should Thomas and Eric do to improve their communication?

It is essential that Thomas and Eric start listening to each other in order to understand their different risk priorities and the importance of these priorities. They also need to agree on some common risk priorities with which they both feel comfortable. If they can't agree, one possibility would be for someone else to take over the responsibility of the communication strategy. This would leave Thomas to focus on technical matters. If that is not a possible option, it might be wise for Thomas to consider leaving the team so that Eric can execute the project in accordance with his vision. Eric can then take full responsibility for the results.