



Why use *Strategyfinder* for Systemic Risk Management?

because *Strategyfinder* is a Risk Management tool and method which recognizes risks as a system interacting with each other.

A system of risks will include

- the outcomes of risks, and these are risks: risks cascade into other risks
- risk systems usually encompass many feedback cycles: mostly vicious cycles

Vicious cycles escalate the risks

A vicious cycle is a significant risk because it continuously deteriorates the situation over time. Usually, there are many vicious cycles in a risk system. Effective mitigation requires finding the most potent risks that, if mitigated, would have the most positive impact on the whole risk model and devising both efficient and practical mitigation strategies for these risks.

Strategyfinder – following the manual, the software combined with the method is simple to use – and means that:

- With *Strategyfinder*, a group of experts and managers can, from different locations, create a risk system in about 1hr. Each participant identifies the risks they regard as significant and enters them onto a common view 'canvas.'
- The identification of risks can be made anonymously and without seeing the risks identified by others before opening up contributions, with all participants seeing contributions as they are made.
- Each participant identifies the causal links between risks (their own and those entered by others)

Strategyfinder analyzes the risk system by identifying

- Sub-systems of tightly related risks and zooming in on each sub-system
- Vicious cycles of risks and zooming in on feedback loops or sub-system of related feedback loops
- The most potent vicious cycle – the loop that drives most other vicious cycles
- The most potent risk in the vicious cycles that, if mitigated, would help 'destroy' the most other vicious cycles. We call it the most potent risk that drives the most risk outcomes.

Strategyfinder allows for

- The categorization of risks and analyses that focus on specific categories
- The group to identify and evaluate possible mitigation strategies, and
- Judgmental and analysis evaluation of these possibilities by judging impact and practicality

Strategyfinder allows the group to continuously validate and improve the risk system through the editing of risks and causal links – where the editing of risk in one zoomed view/sub-system shows the edit of risks or causal links in all other views.

Strategyfinder permits analyses to be conducted at any time so changes to the risk system can be evaluated.

Summary

Traditional methods of risk assessment and strategy development do not address a system of risks that interact with each other. For effective and valid Risk Management one MUST recognize that risks are a system of interacting risks. Therefore, *Strategyfinder* is an effective tool and method of Risk Assessment and Mitigation.

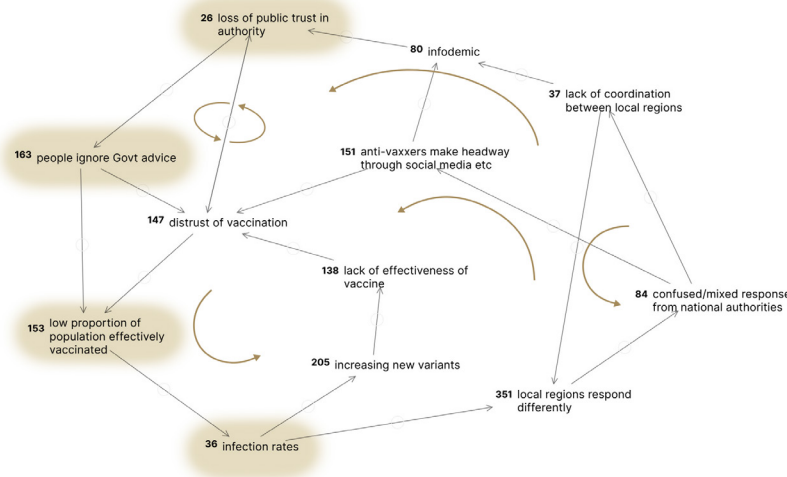


MANAGING RISKS DURING COVID

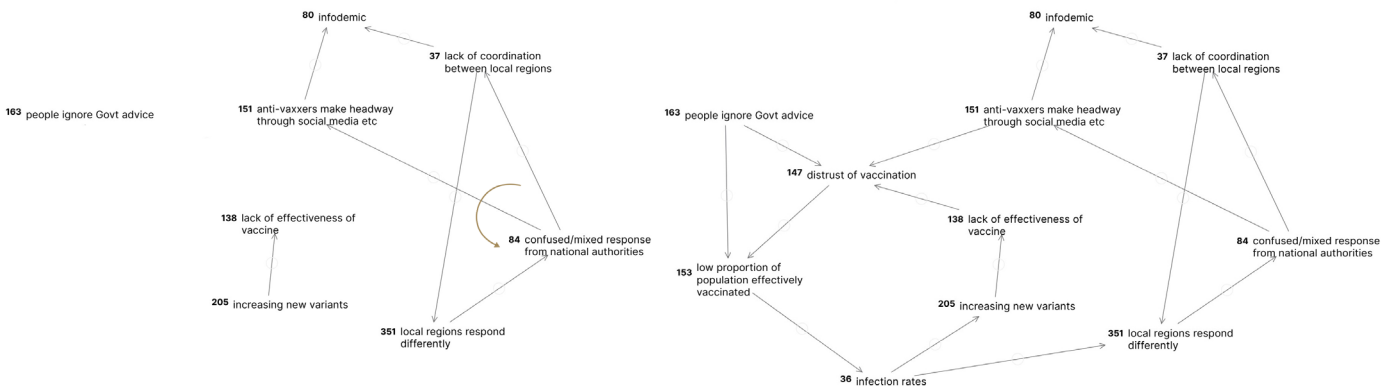
An interdisciplinary group of 16 people met 3 times for a total of 10hrs. They met via the Internet from their differently located offices.

They used **Strategyfinder** and the risk systemicity method to produce a risk system with over 200 risks and 1000's of important vicious cycles. [see 'Systemic Risk Management method and tool explanation' video on www.strategyfinder.com]

Within the total risk system, one sub-system of vicious cycles focused on vaccination. The picture below shows a Strategyfinder view of the 13 vicious cycles (5 of them are highlighted).



A **Strategyfinder** analysis shows where to focus mitigation: the statements numbered 26, 147, 153 and 36 outlined in are the most potent – they are each in 10 vicious cycles. By mitigating these risks 1 vicious cycle remains. Mitigating any one of them reduces to 3 the number of vicious cycles.



The group worked through the range of sub-system of risks, focusing on the most potent risks – those that, if mitigated, would have the greatest impact – and used Strategyfinder to help them develop, negotiate and agree on a range of strategies were all implemented.

Of course, **Strategyfinder** is also particularly good for managing risk systemicity as a part of effective Project Management.

