



RISK DOCTOR BRIEFING

BETTER SAFE THAN SORRY?

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Whenever we face a risk, one of the biggest challenges is deciding what to do about it, if anything. There is a popular saying in English, which says ***“It is better to be safe than to be sorry.”*** This proverb has affected a wide range of areas, including government policy, health and safety legislation, environmental standards, business regulatory frameworks, child protection practice, and even parenting guidelines. In these contexts it is better known as the ***precautionary principle***.

The precautionary principle states that in any situation where there is a threat of severe or irreversible harm, and if there is no positive proof that harm would not result, then we should take protective action. Decisions are then made to protect the public or the environment from the severe harm that might occur. Examples include reactions to the supposed but unproven “dangers” of genetically-modified food, mobile phones or nanotechnology. There are also many cases of unnecessary rules and regulations being introduced to protect people from a wide range of “everyday hazards”.

The problem with the precautionary principle is that it leads to an over-protective approach, wasting too much time and effort on things that might not ever be a problem. This arises from a focus on one of the two main dimensions of risk and ignoring the other. The precautionary principle concentrates on impact (what would happen if the risk occurred) but tends to ignore probability (how likely the risk is to occur at all). This is partly because the impact of a risk is easy to estimate or describe, whereas probability is a hard concept, especially where we have no relevant previous experience of a this or a similar risk. We also discount probability because people generally are afraid of statistics.

How does the precautionary principle relate to the worlds of projects and business? We constantly encounter risks in all our projects and enterprises, and many of these risks are novel with no previous history or track record to guide us in how to respond. As in public life, the temptation is for management teams to exercise caution, preferring safety “just in case”, leading to an unnecessary overreaction to risks and a waste of valuable time and resources that could be better used elsewhere. Then when nothing happens and the risks which we all worried about never materialise, people say that risk management is just a lot of fuss about nothing.

In the UK the value of the precautionary principle is being challenged. A recent government enquiry even recommended that it should be dropped because it exerts an unhelpful influence over public policy, even though European law requires governments to take it into account when forming policy.

On our projects too, we should question whether “better safe than sorry” is the right approach. A few simple steps can help us to counter the tendency to be over-protective. For example we should ensure that our risk process includes a realistic assessment of how likely a risk is to occur, as well as an estimate of its possible effect. We need to recognise that the worst case level of impact almost never happens, and perhaps it would be better to develop responses which target the most likely impact. We must remember that some risks are good for us, and positive opportunities should be identified and pursued. We need to get used to ideas of “risk efficiency”, balancing risk and reward, and accept that it is appropriate and necessary to take some risks. And finally we must improve our risk communication, being clear about exactly what risks we face, how likely they are to happen, what levels of impact could realistically result, and what responses are appropriate.

“Better safe than sorry” sounds like a good attitude to adopt, in life as well as in our projects and business. But it is possible to be too safe, being overprotective and cautious, preventing ourselves from taking the risks that are associated with progress, innovation and success. Let’s banish the precautionary principle from our projects, and use the risk process to ensure that we stay as safe as possible and have no reason to be sorry.