
Risk Policy is Risk 4.0 – Media Release

Since the World Economic Forum called for improvement in risk thinking following the Global Financial Crisis, limited attempts have been made to change old thinking about managing risk. Some industries have focused on internal processes but little has been achieved to create new thinking and approaches about risk itself at a conceptual level.

That is, until the Australian Risk Policy Institute (ARPI) began promoting rejuvenation and enhancement of risk thinking by introducing the new concept of Risk Policy. Risk Policy starts with paradigm change by leaders to understand that today's world has changed in fundamental ways so that risk must be viewed differently.

The world is now interconnected in ways never before dreamed of – communication, time and networks - so leaders must move away from thinking in silos to living in networks comprising whole systems, and accept that today and irreversibly, information resides in networks. Office walls are irrelevant.

Paradigm change enables leaders to build a new awareness of their organisational environment and see vulnerabilities which were hidden before. Risk Policy enables vulnerabilities to be protected against and at the same time, provides strategic opportunity for improvement and innovation. It also directly contributes to a reduction in risks and wicked problems to manage.

Risk Policy is strategic and pre-emptive, offering a significant time-value metric to leaders and organisations. It facilitates compliance with statutory risk obligations.

ARPI's *Risk Policy Model* (RPM) and supplementary *Strategic Risk Policy Guide* (SRP) can be downloaded free at www.arpi.org.au.

ARPI now heads a Global Risk Policy Network (GRPN) containing the European Risk Policy Institute (ERPI), six special-purpose global Risk Policy networks including security, cyber, complex project management and fraud. Negotiations are underway to open a further six affiliated Risk Policy Institutes in USA, UK and Asia.

The Global Risk Policy Network rightly claims Risk Policy to be Risk 4.0, the next generation of risk thinking, offering a new conceptual approach and frameworks that elevate risk in thinking across society, meeting WEF calls and society's needs.

Risk 4.0 defines risk in a more contemporary and meaningful way, namely:

1. Impacts of decisions and non-decisions;

2. Implications on networks (stakeholders); and
3. Implementation analysis of policy development.

Risk 4.0 is about leadership, management, decision making and effective policy as well as providing guidance to governance processes.

Risk 4.0 also introduces a New Risk Landscape showing the inter-relationships among Risk Policy – Risk Management – Issues Management, complete with key performance indicators measuring effectiveness including unexpected matters from left-field.

Risk 4.0 sits comfortably with global thinking concerning Industry 4.0 and Leadership 4.0 which provide contemporary approaches and new solutions that will lead the world into the future.

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29 October 2018