

Introduction

Risk management helps build resilience into your circle. “Hindsight is a wonderful thing but foresight is better, especially when it comes to saving life, or some pain!” — William Blake It also takes account of Murphy's Laws : 1. Anything that can go wrong will go wrong. 2. Left to themselves, things tend to go from bad to worse. 3. Nothing is as easy as it looks. 4. Everything takes longer than you think. 5. If there is a possibility of several things going wrong, the one that will cause the most damage will be the one to go wrong..

- What is Risk Management and why is it so important?
- What risks can an XR Circle expect?

What is Risk Management and why is it so important?

In XR a 'Risk' is the chance of a negative event damaging or threatening the existence of XRUK.

We all talk about risks and worry about them happening but we don't make plans to control them. Successful risk management ensures you do something.

This book shows you how to think about risks and take action to reduce their likelihood and impact. This gives you time and space to understand a risk and to plan how to address it should it happen. You may also find serious and common risks that exist across many XRUK circles. This does not mean you stop all activities or actions which carry risk.

Risk Management is a set of techniques for your circle to plan for threats in achieving its mandate. You prepare for the unexpected and to sleep at night. If you don't control your risks they tend to fester, get worse over time and become harder to manage.

Circles carrying potentially high risk are encouraged by the Risk circle to record and assess their risks and share them with the Risk circle so they can be understood and actioned.

[risk cycle 2.png](#) Image not found. File type unknown

What risks can an XR Circle expect?

Risks come from absolutely anywhere! They can be :

1. financial,
2. legal,
3. reputational,
4. technical,
5. non-compliance with regulators,
6. lack of security,
7. fraud,
8. loss of key members.

Each risk has a cause, a probability and an impact. The probability of your house burning down are very small but the impact is very high. In this case, you transfer the risk to an insurance underwriter.

A risk can become embedded in in a circle's processes.

Here are examples of possible risks for an XR circle. There are many others!

- A group outside of XR and acting in the name of XR does something disreputable, causing loss of funding, loss of rebels and make it hard to get our demands met.
- Key information such as a password or a key skill is only held by a single member of a circle and they unexpectedly are unavailable.
- People aren't told clearly about planned activities or how to join in or the activities are poorly coordinated
- A circle loses access to essential information.

Could any of these apply to your circle? Have you thought about what to do when they happen?