

# A Changing Risk Landscape : Time To Show Initiative

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Session : A Changing Landscape

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# **Risks and Crises : New Frontiers□**

# Examples

- Canada, 1998 : ice storms
- France, 1999 : storms
- World : Y2K
- WTC, 9/11
- Toulouse, 2001
- Anthrax, 2001
- Sars, 2003
- Blackout, USA, 14 August 2003
- Food
- Heat waves
- Near Earth objects

**Management :**  
**A Whole New Ball Game□**

# In depth changes

- From common emergencies to emerging risks and crises

# Culture

- *“At least 90% of textbooks on strategic management*
  - *are devoted to that part of the management task which is relatively easy:*
  - *the running of the organizational machine in as surprise-free a way as possible.*
- *On the contrary,*
  - *the real management task is that of handling the exceptions, coping with and even using unpredictability, clashing counter-cultures.*
  - *the task has to do with instability, irregularity, difference and disorder.”*
  - Ralph STACEY, Strategic Management & Organizational Dynamics, Pitman, London, 1996 (p. XIX-XX).

# Routines, and emerging unconventional crises

- «Life is simple
- when you have so many *precedents* to follow.
- But they are like computers :
  - put them into a *new* crisis,
  - for which they've *not been programmed*,
  - and their brains *short-circuit*»

«Yes, Prime Minister», BBC, p. 344

# Emerging Large-scale Risks and Crises: New References

- Scope:
  - from specific, to interdependent, generic and global challenges
- References: a shattering dynamics
  - mindsets, rules, norms, codes of practice
- Expertise:
  - from uncertainty to dynamic uncertainty, from uncertainty to ignorance
- Communication:
  - Worldwide “Larsen” effects
- Dynamics :
  - Large-scale interdependent networks; just-in-time processes
  - Business interruption translates into billion dollars of losses





Loss of sense and references

- disarray
- distrust
- decoupling

# **Governance :** **Paradigm Shifts**□

# Opening cultures

- Scientific culture
- Managerial culture
- Communication culture
- Governance culture
- Preparation culture

**The Key:  
Initiative□**

# Key Results

- November 2002: postal operators from 30 countries
- 2-day meeting
- Lessons shared, best practices
- International reaction capacity; *first test on January 15, 2003 (USPS, Washington, DC area)*
- Capacity still operating today

# **Anthrax : The Paris Initiative**

## **Critical Ingredients**

- Geographical scope: International
- Strategic scope: senior executives, CEOs
- View: sharing surprises, responses, anticipation
- Pilot
- Core Team
- Launching energy: La Poste, President
- Support: Posteurop
- Key operators: US, UK, France, NL, G...

# The Paris Initiative: Critical Ingredients

- Networking: go and visit□
- Expertise: international crisis experts
- Adequate funds for such a large-scale pilot operation
- 8-month preparation
- End product: operational, organizational, strategic
- Challenge: publication in a first-class scientific review

**ON THE AGENDA □**



# On the Agenda

- Unconventional crises:
  - Each of them: very tiny probability
  - Globally: our new universe, high probability
- The strategic trap:
  - «In 1914, we were caught totally unprepared,
  - In 1940, we were fully prepared, for the 1st World War»
- **Initiatives, out of the box:**
  - Do not abandon the field to the unthinkable
  - «When confronted by unconventional situations,
  - you have to construct unconventional initiatives»

# Contact Information

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