

## PLANNING FOR RISK

### ON RISK

Life is risky. You don't have to be an architect or a mountain climber to know that. U of T Professor Mark Kingwell puts it this way:

"If life were a game of chance, we would probably choose not to play: the chances are stacked in favour of the house and against the players." – Mark Kingwell, *On Risk*

Right now, in the midst of a global pandemic, and with natural disasters increasing in frequency and severity, this seems especially relevant. But, in good times and bad, risks are everywhere. Managing them is a feature of life and a factor in all of our planning and decision-making, even when we don't acknowledge it.

### LISTEN TO YOUR MOTHER

In everyday life, it makes sense to manage risk by taking certain precautions: If it looks like rain, take an umbrella. If your mother thinks it might get chilly down by the lake, don't be difficult; take a jacket.

Taking risks in our personal lives may be unwise, inconsequential, or in some cases, exciting. Taking uncalculated risks in our work is bad practice, often uninsurable and even prohibited. As OAA members, we are *required* to plan for risk management – not for our own protection, but for the protection of the public we serve, in accordance with our provincial charter.<sup>1</sup>

### RISK AND PLANNING

*The Dictionary of Insurance* defines risk management as "Analyzing a risk to quantify the potential for losses in a specific investment and to decide what is the appropriate action to take (or whether not to take action)." The recognition of potential risks in any venture, and the decision to deal with those risks in deliberate ways form the basis of risk management planning.

What does risk management planning actually entail? In its simplest form, it means thinking about whatever project you're about to undertake and determining how to avoid circumstances that might result in a bad outcome. The logical next step is to record these thoughts and share them with others involved in the project, especially those under your direction. So far, this only seems like good sense.

But given the complexity of many projects, and the tendency of many participants to adhere

strictly to instructions, regardless of consequences, something more deliberate would be warranted – a Risk Management Plan. Such a plan should encompass any conceivable situation – insurable and, especially, uninsurable – and might serve as a working template for all future work.<sup>2</sup>

## RISK AND REWARD

The idea of risk management planning sounds a little counterintuitive, even counterproductive, since, a) nobody knows what the future holds, and b) architects are meant to be innovators – creators of exciting new solutions to new and old problems. Does risk management imply that architects should avoid taking chances with new ideas?

Yes and no. If *chances* means *uncalculated risks*, then the answer is obviously yes. Never leap without looking. To corrupt an old phrase, “invention is the mother of liability.” But if *taking informed chances* means embracing new ideas by exploring the upside and the downside – i.e., managing the risk – the answer may be: go all in; try new ideas; take on new challenges.

But think things through; do your research; make a plan; then proceed with increased confidence.

### Notes:

1. “The principal object of the Association is to regulate the practice of architecture ... in order that the public interest may be served and protected.” R.S.O. 1990, c. A.26, s. 2 (2). A download of *The Architects Act*, R.S.O., 1990, c. A.26, is available at <https://www.ontario.ca/laws/statute/90a26>):
2. Confusing online advice abounds, but few helpful texts exist. Amazon offers: *Managing Project Risk: Best Practices for Architects and Related Professionals*. James B. Atkins, Grant A. Simpson. Hoboken, NJ: Wiley, 2008