



ATIPIC INSIGHT SERIES
Continuous Opportunity and Risk Dynamics
Article 3 of 7 — Funding the Right Action

The Other Half of Risk Management

After forty years of looking backwards, risk management's real future is foresight — facilitating where the company needs to be, not defending where it has been.

Adrian Clements | 2026 | Article 3 of 7 | ATIPIC Insight Series

The Problems This Approach Addresses

- Risk management still looks backwards, speaks a language the C-suite does not use, and cannot demonstrate its value.
- Companies are repeatedly blindsided by “predictable surprises” because they trend the past instead of imagining where the world is going.
- Strategy is anchored to a narrow, comfortable band of probable futures, leaving the most valuable opportunities unseen.
- The four-bucket risk taxonomy can no longer hold transversal risks that cut across every function at once.
- The future-facing role is being handed to a “Chief Future Officer” in finance because risk managers never claimed it.

Summary

After forty years, risk management still looks backwards, speaks a language the C-suite does not use, and cannot show its value. Foresight is the missing half. It watches not only how the company is placed in the world but how the world itself is moving, answers the question ‘where do we need to be?’, and replaces the four-bucket taxonomy and severity–frequency scoring with a forward-looking, transversal, value-based view that finally speaks the language of the strategy table.

In 1992 Felix Kloman wrote *Rethinking Risk Management*. He was building on Neil Crockford in 1980 and on Amara and Lipinski before him. Their message was consistent: stop looking backwards, get out of silos, speak the language of your customers. Three decades on, the diagnosis still fits. A majority of risk managers admit their framework only somewhat — or minimally, or not at all — addresses the risks it exists to address. After forty years, the obvious conclusion is that the problem is not the practitioners but the model.

Crockford's complaint reads as though it were written last week: each specialist sees risk management through the lens of his own specialism, so the message fragments into competing sects, each claiming to preach the whole. Risk management, he insisted, was “the art of making alternative choices” and should concern itself with the anticipation of future events rather than the reaction to past ones. Yet the documentation that followed — every ISO and COSO standard, every guide and maturity model — was largely written in reaction to stock-market shocks in 1987, 2001 and 2008. It emphasised controls, processes and procedures to stop value loss. The original idea, from the 1970s, had value growth as its driver. Somewhere along the way the discipline traded leadership of the uncertain for the management of the known.

Risk management is about providing insight, not reporting. The classic method answers ‘what can go wrong?’. The future belongs to the method that answers ‘where do we need to be?’.

1. Three questions only risk can answer

The traditional model already answers three questions well, and Kloman framed them precisely: risk assessment answers “what can go wrong?”; risk control answers “what can we do about it?”; risk financing answers “how do we pay for it?” Those are necessary and they are not the frontier. There are three further questions that the risk manager is uniquely equipped to answer and that no other function fully owns.

- **Innovation coordination — where do we need to be?** The future. This is the territory finance is now branding the “Chief Future Officer,” but it must be genuinely long-term and not driven by short-term market requirements.
- **Decision-making behaviour change — what are the weak and strong signals?** The capture and effective management of risk and opportunity that strengthen the path toward future goals.
- **Bias levelling — why is that the best strategy?** The equalisation of views distorted by silo, background and seniority, and the deliberate balancing of alternative solutions.

2. Big picture: widening the lens

Look at the company from a holistic perspective and a structural problem appears. We will face more extreme events — not only because there are more events, but because we have narrowed the band of “probable” futures to the ones we find easy to understand. The smaller that band, the more plausible-but-unconsidered futures sit just outside it, waiting to surprise us. Trending historical data feels prudent because it places us in a future that is “more probable.” But the future does not move in a straight line, and a company with genuine strengths and innovation is, by design, heading somewhere the trend cannot predict. That higher uncertainty is also where higher value and greater sustainability live.

This is the work the risk manager should be facilitating: discussions with the board and executive team about what the future could look like — without constraints. Bringing in evidence from other sectors to

surface not only plausible scenarios but possible ones. Out of those discussions emerges a clear view of where the company needs to be, the milestones to get there, and the investment structure required. Constraints and cognitive bias keep us hugging the trend line; out-of-the-box thinking widens the scope, opens the door to opportunity and reduces the shocks. The risk of failing to reach a bold new goal is genuinely more important than the risk of carrying straight on.

3. Watching the matrix move

The subtle difference between conventional enterprise risk management and a foresight model is this. Conventional ERM looks at how the company is placed in the world and which risks affect it *now*. Foresight also watches how the “matrix” itself is moving. The risks reaching you by trending are not the same as the risks reaching you by futurizing. A company that only trends will be exposed to a different set of risks — and will spend its time reacting to markets rather than leading them. ESG made this concrete: organisations that were already watching the matrix had those elements identified and merely had to report them; organisations doing classic ERM had to bolt ESG on after the fact.

Severity and frequency were always too few dimensions. Once foresight is added, the time elements — term and duration — take a central role. How fast something moves, and how long it keeps moving, determines investment strategy and the width of the opportunity window. That velocity is itself a source of vulnerability. How far the futurized future sits from the trended future is a direct function of how courageous the board conversations are.

4. Strategic awareness: the 360° sphere

Most “360° reviews” are nothing of the sort — they are a flat circle, the same picture viewed from the opposite side. A true 360° view is a sphere: looking at everything in a genuinely different way. Consider the opening act of space travel — sitting on a steel vessel full of flammable material, igniting it, and being sent to a place at minus 270°C with no oxygen. No one would do it unless the opportunity outweighed the risk. Focus on the future opportunity, identify the spin-offs and value their potential, and strategic awareness follows. You begin to see differently, and you begin to decide differently. The question is not why take the risk, but: why do what everyone else is doing when you could do it better?

5. Integrating, implementing and measuring

Identifying which scenarios are truly critical — and who owns them — has become complex, because the classic four risk categories no longer fit. Many scenarios are transversal, hitting different functions in different ways, and forcing them into four buckets quietly under-weights everything outside the chosen four. Select as many categories as the risks demand. What matters is not how the consequence is filed but identifying the driver or trigger, so that it can be managed.

Early valuations of intangible risks will be wrong; they improve with experience and as the world changes. The full value of an action is only realised on completion, but as each project step finishes, its impact on

the defined criteria shifts — and that faster-moving indicator allows real tracking and reveals synergies across other risks. Throughout, use actual figures rather than budget figures, so effort concentrates on what is critical today and tomorrow rather than on what was identified last year.

6. How to Initiate This in Your Organisation

1. Run unconstrained foresight workshops with the board and executive team, using tools such as the Business Model Canvas with open challenge, the Three Horizons model, and an external, unbiased risk specialist to break the trend-hugging reflex.
2. Define both a trended future and a futurized future, and make the gap between them explicit — it is the gap that sets the strategic agenda and the investment structure.
3. Add term and duration to severity and frequency, so velocity and persistence of risks are scored, not assumed.
4. Replace the four-bucket taxonomy with as many categories as the transversal reality requires, and assign each scenario a clear driver, owner and consequence set.
5. Measure with fast-moving, value-based indicators on actual figures, re-prioritising as plans change so that funding always tracks future need rather than historical habit.

Conclusions

Foresight is a managed, facilitated process, not a personality trait. Its purpose is to stop the predictable surprises — the shocks you could have seen had you been looking at the big picture and watching the matrix move. Done well, it is the half of risk management that finally speaks the language of the people at the strategy table, because it answers their question: not what could go wrong, but where we need to be.

Key Takeaways

- The classic model answers ‘what can go wrong?’; foresight answers ‘where do we need to be?’.
- Trending the past narrows the band of probable futures and manufactures predictable surprises.
- Watch the matrix move: the risks reaching you by futurizing are not those reaching you by trending.
- Add term and duration to severity and frequency — velocity and persistence are themselves vulnerabilities.
- Replace the four-bucket taxonomy with as many categories as transversal risks require, each with a clear driver and owner.

About This Series: ATIPIIC Insight — Seven Articles for Business Leaders

The Overarching Message

Your organisation makes risk decisions daily with tools designed thirty years ago. They score severity. They do not measure direction. They record what is at risk — not whether you still have time to act. This series shows business leaders how to move from static risk registers to a dynamic, causally-grounded risk and opportunity intelligence system that integrates with the frameworks you already have.

Why this matters to CEOs, CFOs and boards: Risk misread as stable when it is accelerating destroys value silently. Opportunity visible in the data but invisible in the framework is value permanently foregone. ATIPIIC provides the temporal and causal layer that converts existing risk data into forward-looking strategic intelligence.

Article 1 | Funding the Right Action

Problem: Competing CapEx requests are judged by advocacy and seniority, not value, so the actions that create the most holistic value are never the ones funded.

Key message: A transversal management system places every action on a level playing field and prioritises by value created and vulnerability reduced.

Article 2 | Accelerators and Amplifiers

Problem: Severity and probability cannot explain why some minor events escalate catastrophically while others fade.

Key message: Two forces — internal accelerators and external amplifiers — are measured to reveal weak-signal escalation before it moves.

Article 3 ◀ YOU ARE HERE | Foresight: The Other Half

Problem: Risk management still looks backwards and is repeatedly blindsided by predictable surprises.

Key message: Foresight watches how the world is moving, not just where the company stands, answering ‘where do we need to be?’.

Article 4 | Opportunities & the Comfort Zone

Problem: Opportunities go unmanaged and an oversized comfort zone leaves whole sectors stagnant and exposed.

Key message: Keeping the comfort zone deliberately small turns identified opportunity into captured value.

Article 5 | Push to Pull

Problem: Risk management is reported after the fact and cannot show its value, so it stays a push rather than a pull.

Key message: Embedding risk into everyday decisions through transparency, value measurement and foresight makes it visible and sustainable.

Article 6 | What We Need to Survive

Problem: Resilience is confused with robustness and resistance, and the buffer erodes invisibly until one event too many.

Key message: Resilience is engineered in the system, the balance sheet and — decisively — the behaviour of people under crisis.

Article 7 | Procurement: A Golden Key

Problem: Procurement is measured on cost while expected to deliver resilience, ESG and growth.

Key message: A managerial bridge turns the supply chain from a cost centre into a value-creation engine.