

Achieving Success Through Risk Management:

Lessons from the Successful (and Disastrous) 1911 Discovery of the South Pole

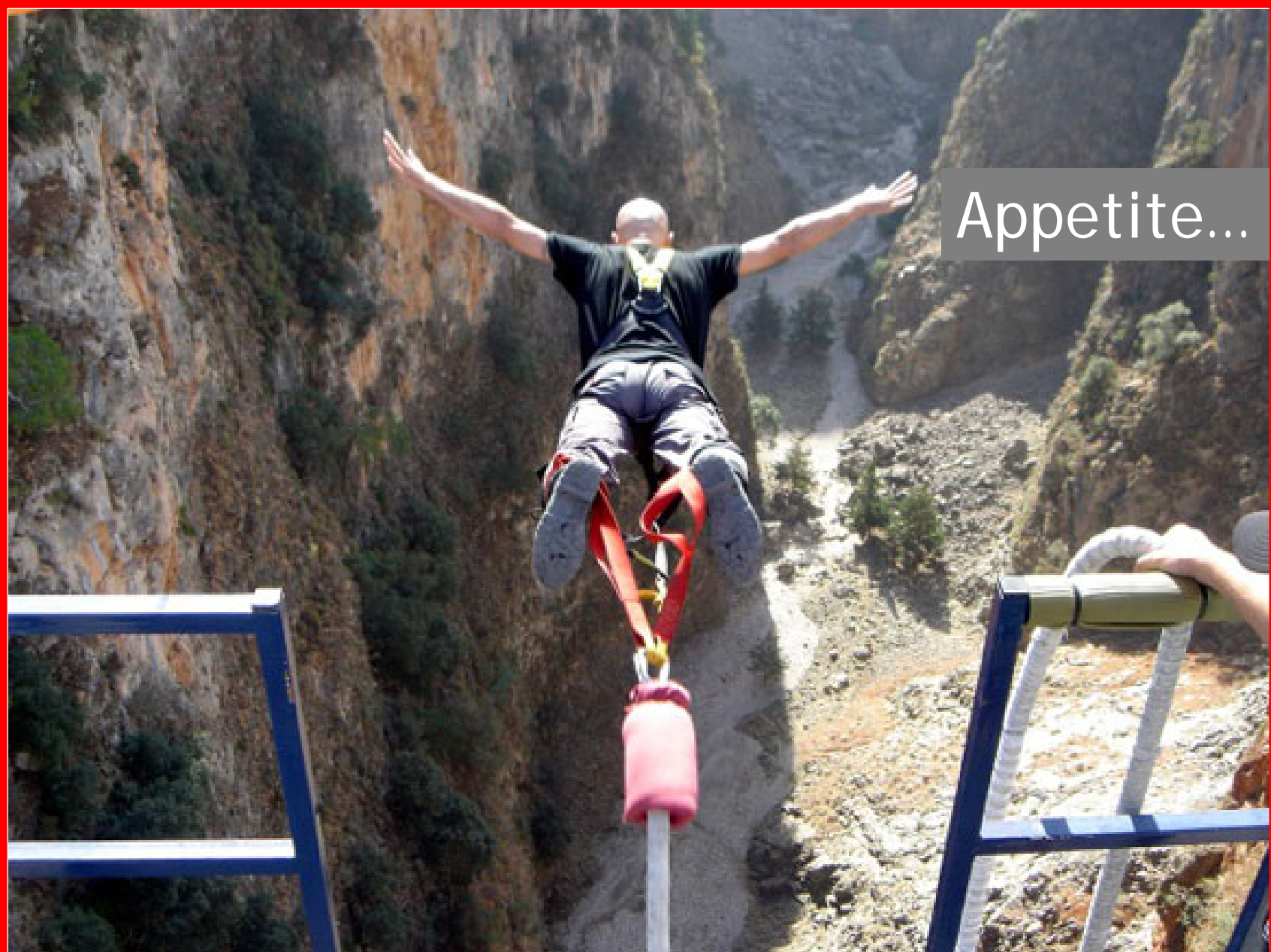
Hans Gude

Office Ethics, Risk, and Compliance Services

UC Berkeley

September 26, 2012





Appetite...

Intuition...



Tools & Methods...

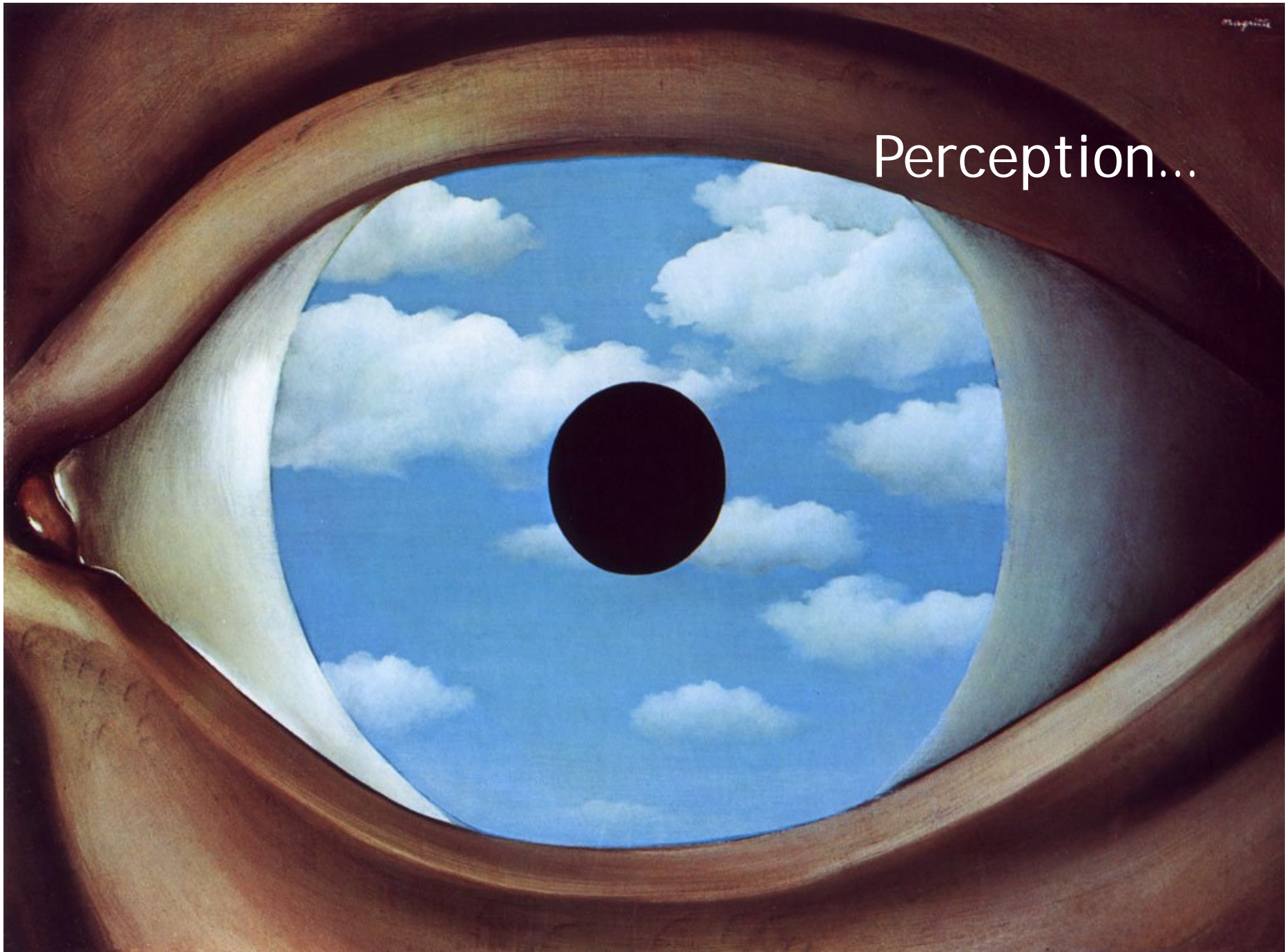
Objective assessments...

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Data...

Perception...



One View of Risk Management's Role

Aw fudge!
Darn that Risk
Management.



Image ©2011, Scott Jones

An Alternate View

Providing practical, hands-on tools and guidance...



Thanks,
Risk
Services!

A collaborative partner...



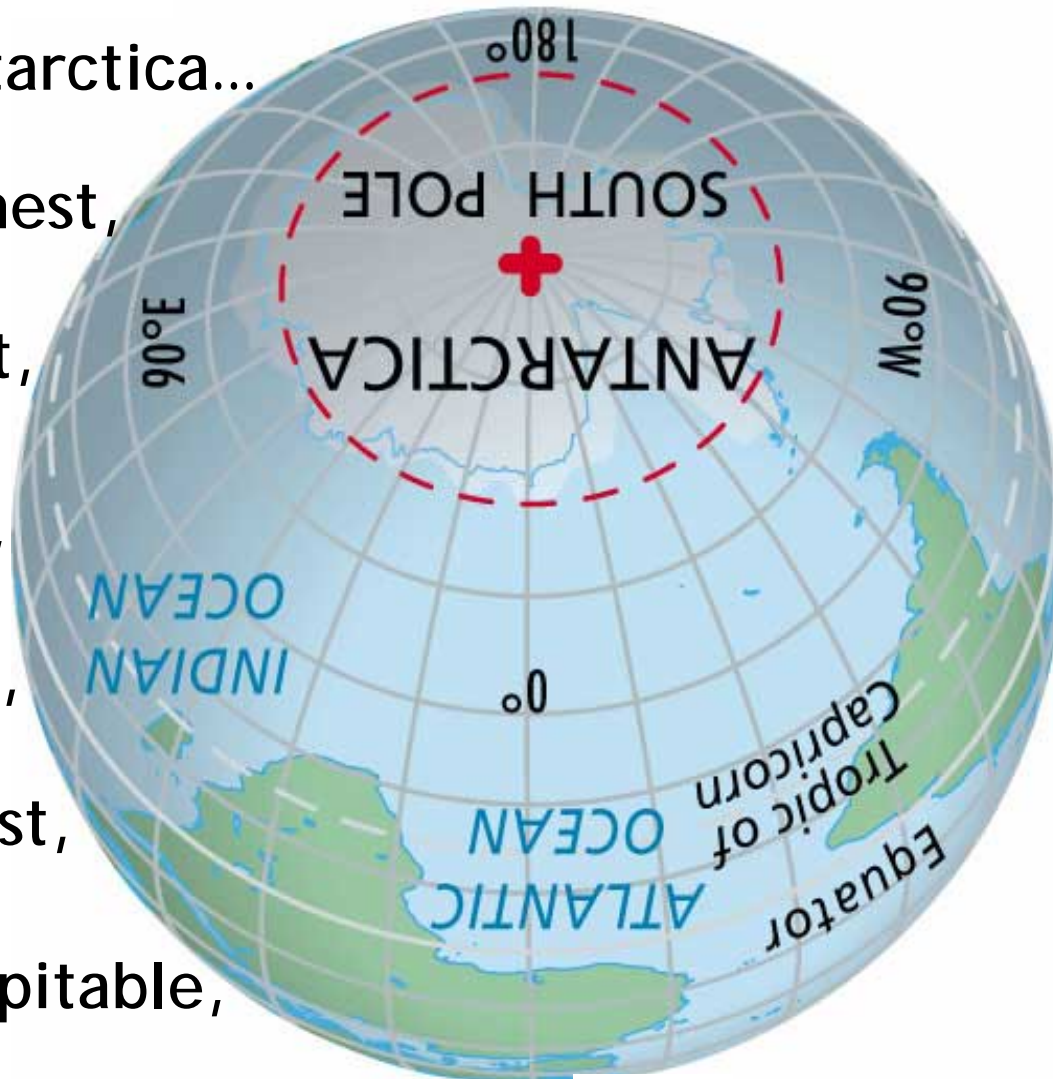
To help you achieve success.



The Year is 1911...



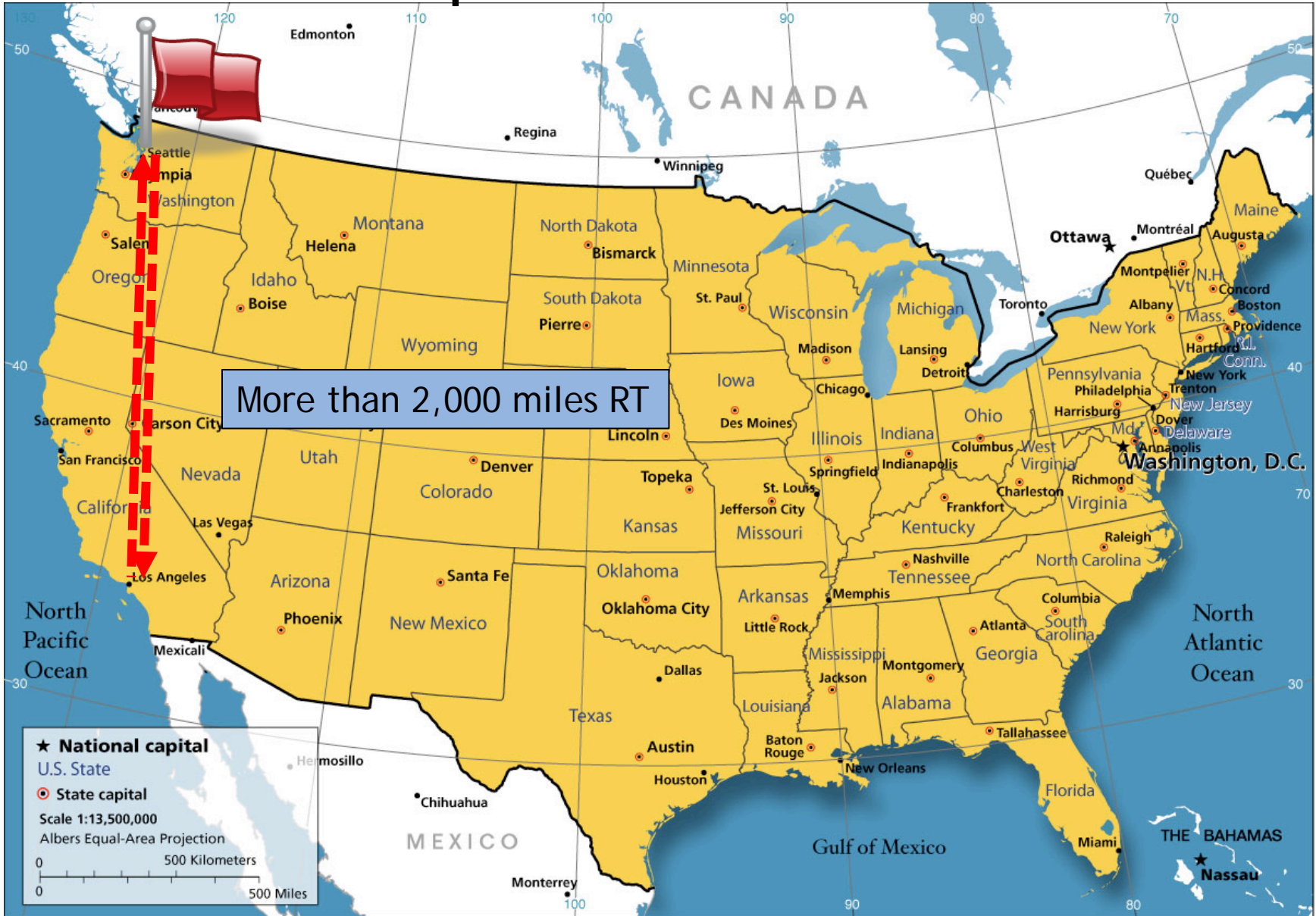
Antarctica...
is the Highest,
Driest,
Windiest,
Emptiest,
Coldest,
Most inhospitable,
place on earth....



Establishing a Base Camp



From Base Camp to the Pole and Back



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South Pole
1,000 Miles

A wide, flat, icy landscape, possibly a frozen sea or a vast ice field. The foreground is dominated by a large, dark, shadowed area on the left, which transitions into a lighter, more uniform icy surface. In the distance, a large, rugged mountain range is visible, with significant snow cover on its peaks and slopes. The sky is a pale, clear blue. The overall scene is desolate and cold.

What could possibly go wrong?

An aerial photograph of a vast, flat, snow-covered landscape, likely a tundra or a high-altitude plain. In the background, a large, rugged mountain range with significant snow cover is visible under a clear blue sky. The foreground shows a wide, flat expanse of snow with some subtle textures and shadows. The text "Are there any risks involved in this journey?" is overlaid in the center in a blue, sans-serif font.

Are there any risks
involved in this journey?

An aerial photograph of a vast, snow-covered landscape. In the background, a rugged mountain range with snow-dusted peaks stretches across the horizon. The foreground is dominated by a wide, flat expanse of snow, likely a frozen lake or a large field, with subtle textures and shadows. A small, dark boat is visible on the snow in the lower right quadrant. The overall scene is serene and desolate.

Can it be successful without
thinking them all through?

An aerial photograph of a vast, flat, snow-covered landscape, likely a tundra or a high-altitude plain. The terrain is mostly white with some darker patches and shadows. In the background, a large, rugged mountain range with significant snow cover stretches across the horizon under a clear blue sky. The text "And planning for them?" is overlaid in the center of the image.

And planning for them?

What Categories of Threat Could Jeopardize Getting to the Pole and Back in 1911?

[White board]

1. The elements—*cold, wind, snow, mountains, crevasses*
2. Equipment—*effectiveness, durability (boots, clothes, sledges)*
3. Food—*sufficient calories; access to it*
4. Fuel—*sufficient and available*
5. Transportation over the ice—*efficiency and reliability*
6. Team—*right temperament and physical ability*
7. Health & Morale—*Scurvy, blindness, keeping upbeat*
8. Route—*minimize geologic constraints*
9. Mapping—*finding your way, knowing where you are*
10. Animals—*managing, feeding, optimizing their use*

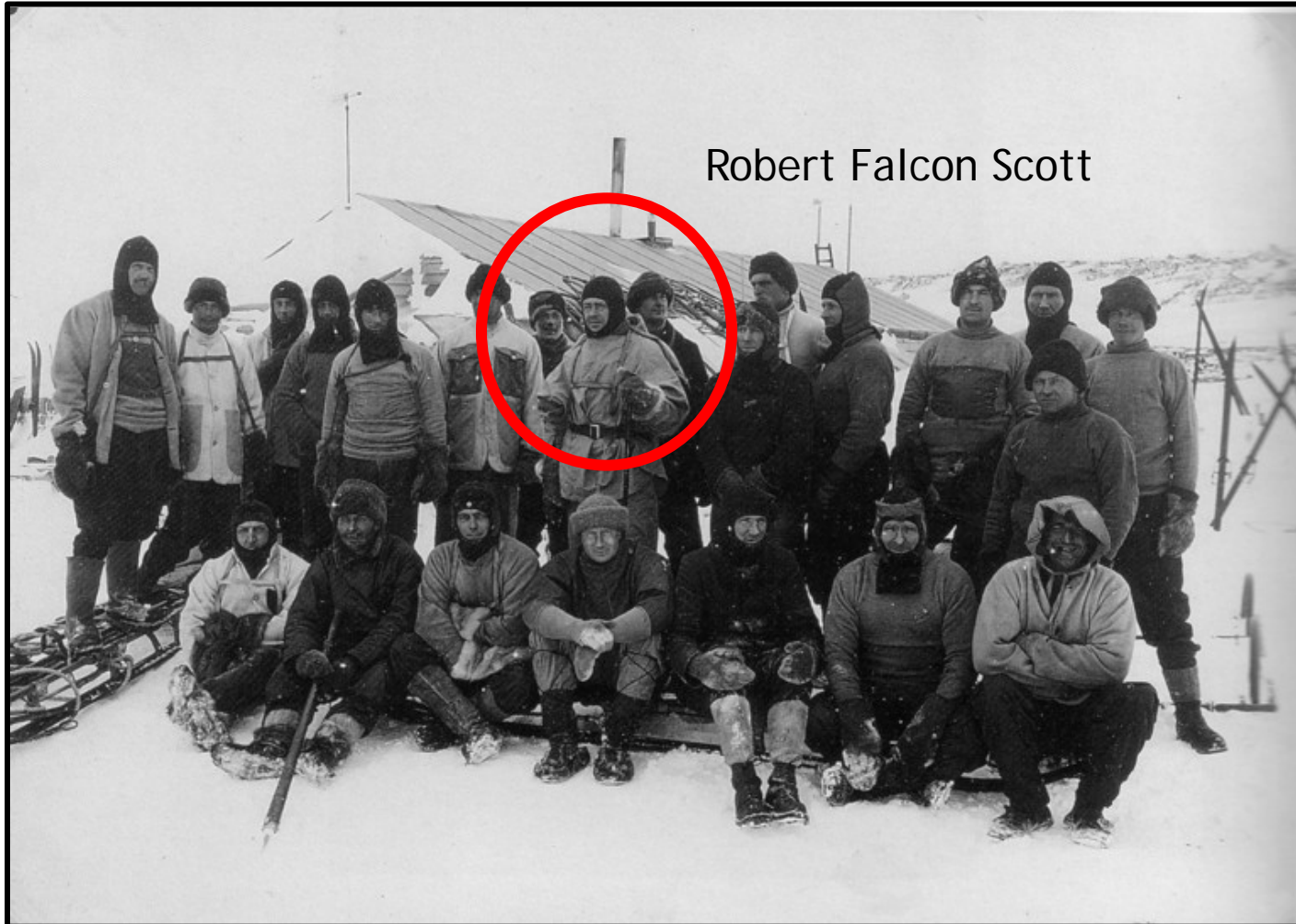
Estimating the Magnitude of a Risk—*What's at Stake?*

Risks are typically assessed based on a combination of their:

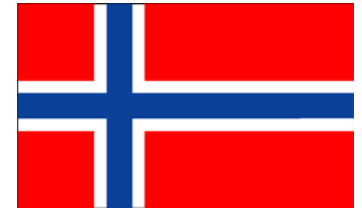
Potential impact (or consequence), and

Likelihood of happening.

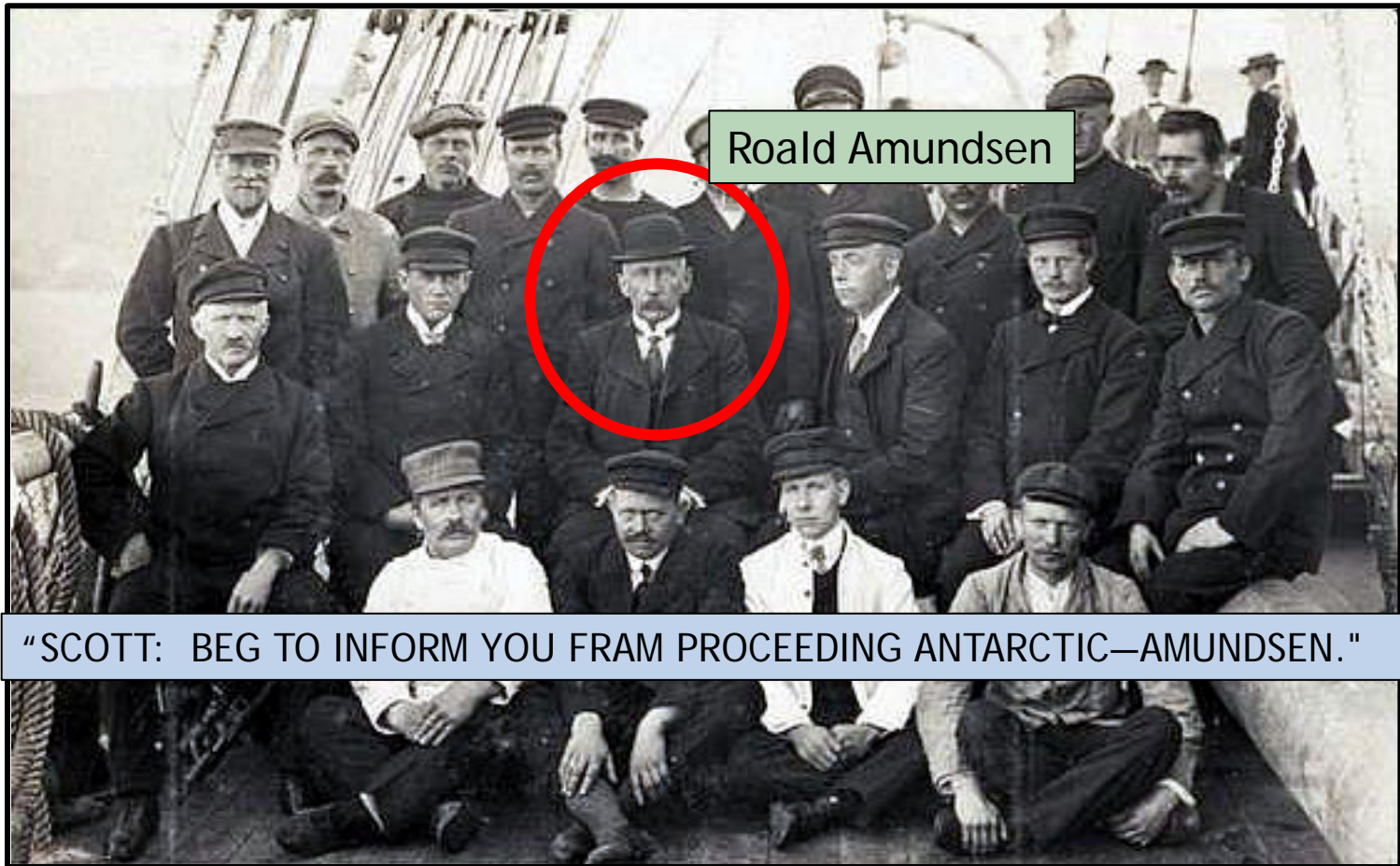
The British Team



Robert Falcon Scott





The Norwegian Team



What is these Explorers' "Risk Appetite"?

- How much risk are they willing to take on to achieve their objectives?
- What's the worst that could happen?
- How could their appetite be communicated, say, to the crew?
- What can they do to mitigate that risk to an acceptable level?

Attitude—*British vs. Norwegian*

Culture / Explorer	View of Exploration	Being a Hero	Attitude to Nature	Size of Party	Reports	Man-Hauling
British / Scott 	Romantic. Pluck and grit. A self-affirming adventure.	Romantic hero, associated with suffering.	Outside nature. Enemy to be fought and conquered.	Large. Safety in numbers.	Horrendous difficulties and setbacks they had, and there never seems to be any bright spot.	Moral superiority of human muscle power. More manly.*
Norwegian / Amundsen 	A matter of technique and technology. Polar exploration is no big deal. It's just another ski tour. "Adventure" is a sign of incompetence.	The hero is the man who doesn't punish himself but uses his cunning and intelligence to avoid trouble. The survivor.	Part of nature, which is neither good nor bad; you simply have to know how to work with it; to ally with it.	Small—easier to lead, reduced tension, easier to integrate with nature.	Always looking for the silver lining, even if it is the sun shining for a nanosecond in a blizzard.	Futile toil.

*Using dogs to pull all the sledges he thought unsporting. Better, Scott wrote, "...to face the hardships, dangers and difficulties with their unaided efforts."

Nansen:
I've always found
it unwise to under-
estimate the British.



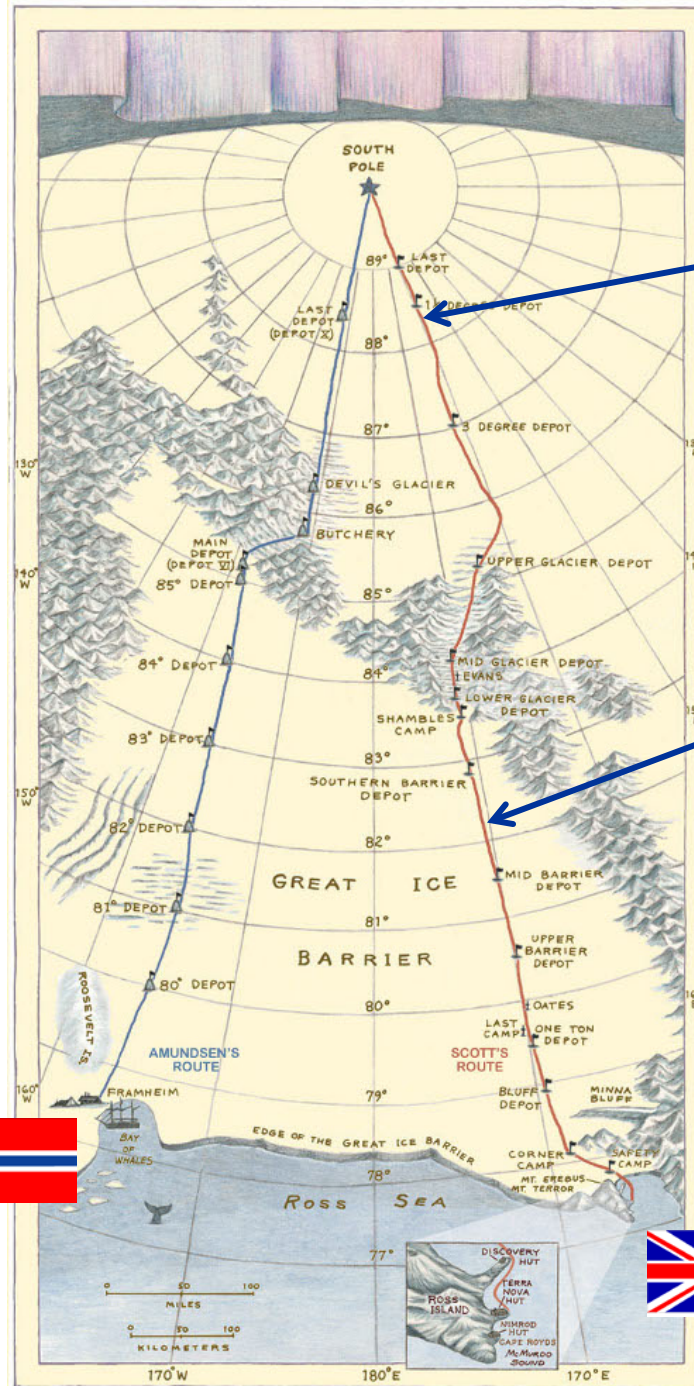
Amundsen:
Why?
Experience teaches them
only one thing: That they are
British and therefore pre-eminent



But nature is deaf to such things.
*She cannot hear the
tunes of glory.*

Source: *The Last Place on Earth*, television mini-series, 1985.

Routes to the Pole



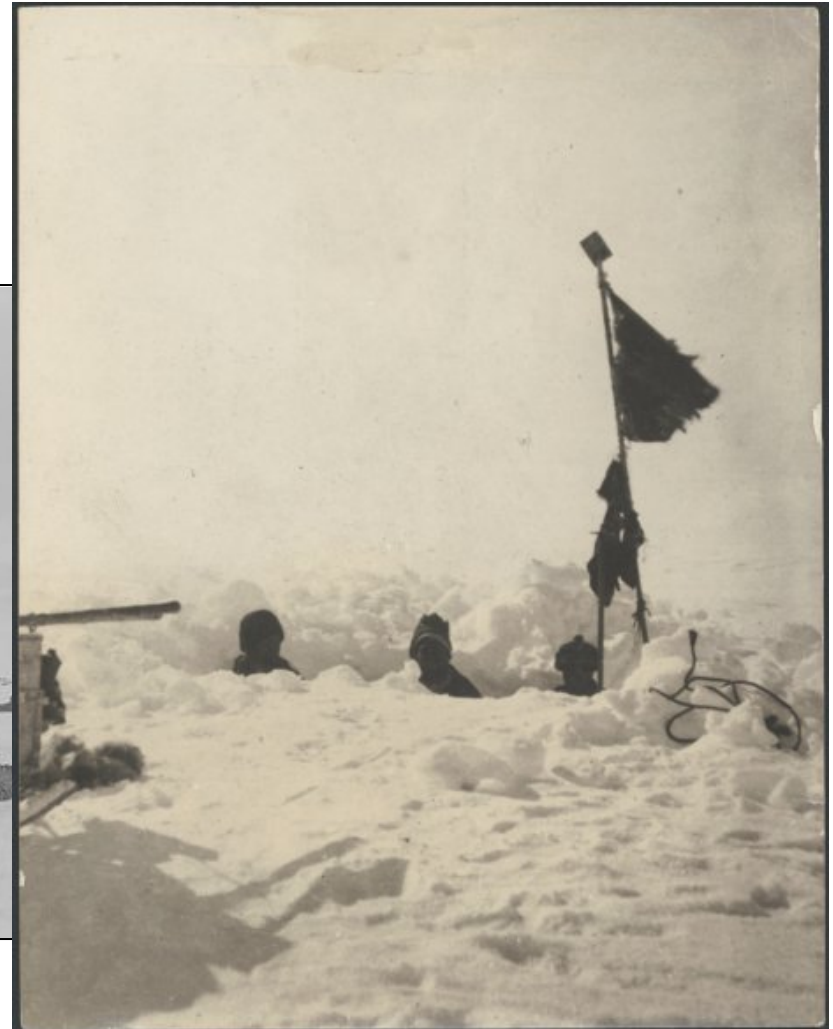
Shackleton's
"Farthest South":
88° 23',
112 miles
from the pole.
1909
Nimrod Expedition

Scott's
"Farthest South":
82° 23',
1902
Discovery Expedition



Team Food / Fuel Depots—Scott

Built depots with no grid of markers, making the same mistake that others had before him.



National Library of Australia

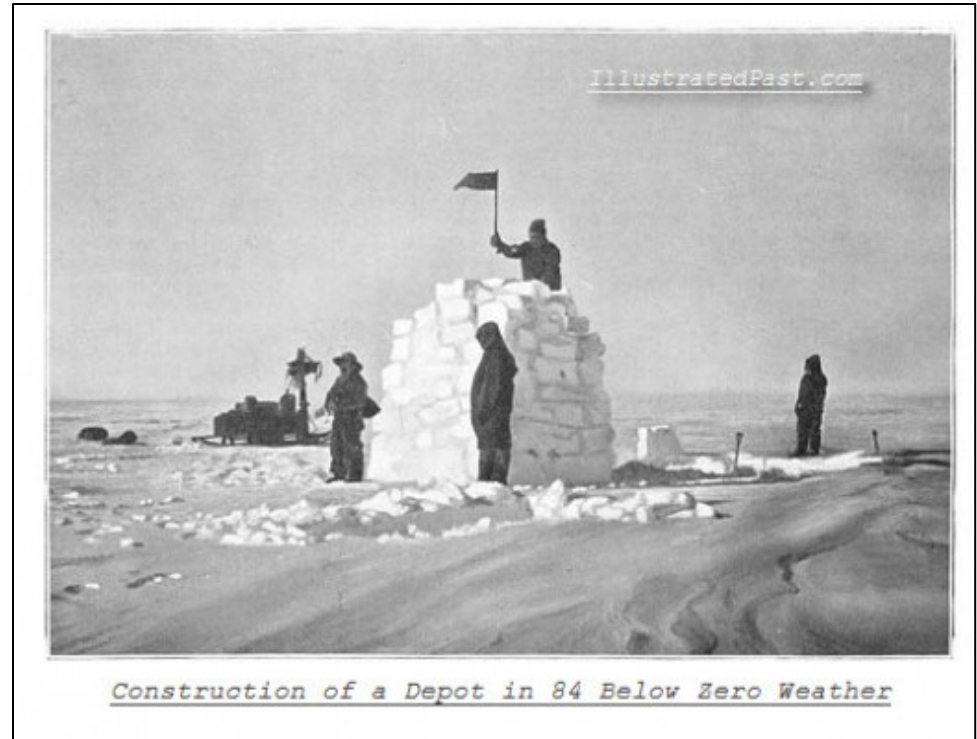
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Team Food / Fuel Depots—*Amundsen*

Having read of other teams having problems finding their depots, put markers to the left and right of his depots, giving himself a several-mile range to hit.

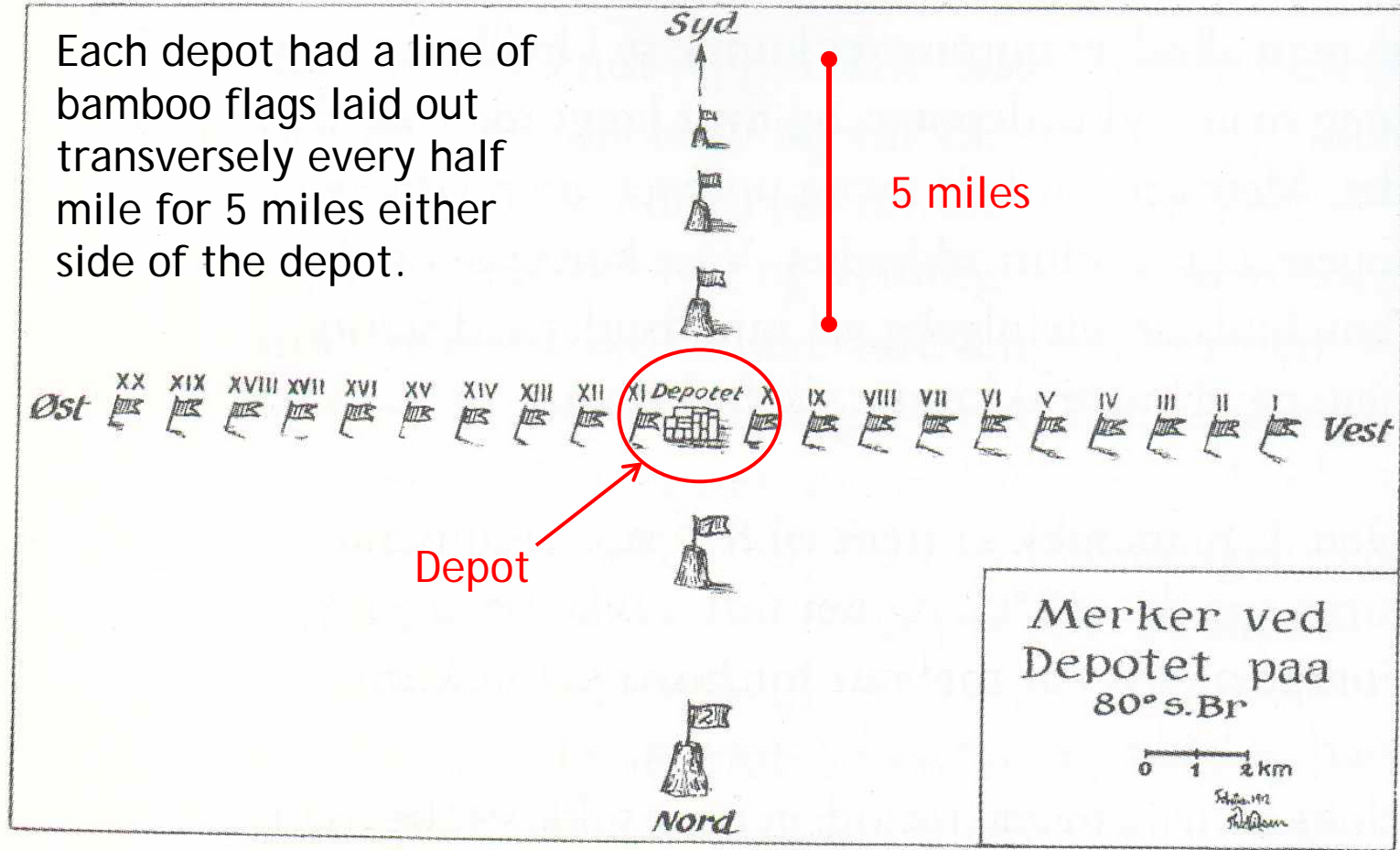
He also built markers at intervals along his route so he could always see one and not have trouble following his tracks.





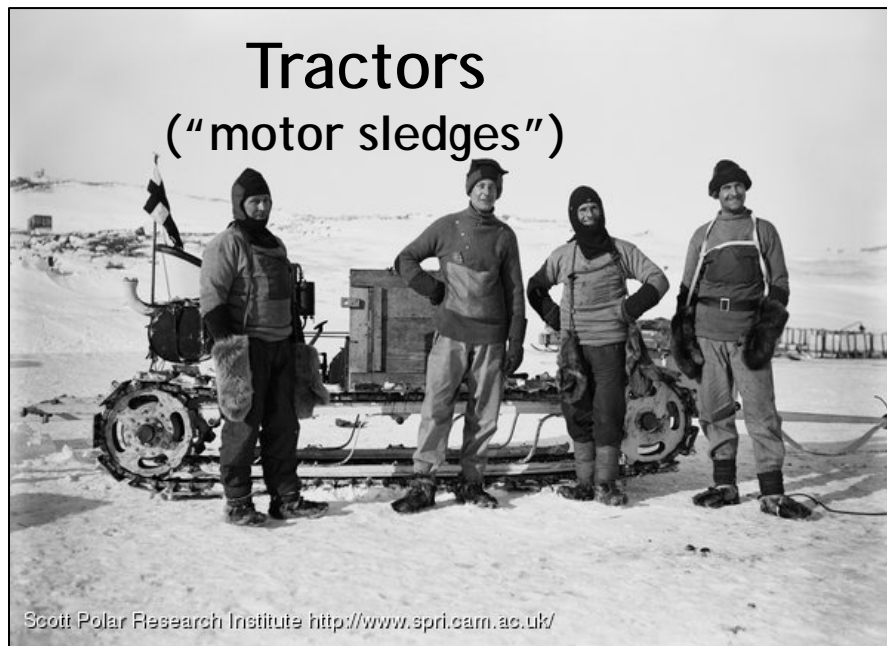
Amundsen Depot Marking System

Each depot had a line of bamboo flags laid out transversely every half mile for 5 miles either side of the depot.





Transportation—*Scott*





Transportation—Amundsen



Skis



Amundsen recruited a team of experienced skiers, all Norwegians who had skied from an early age. He also recruited a champion skier as the front runner.



Clothing—*Scott*

Woolen, wind-proof.
Made regular complaints
about the cold.





Clothing—Amundsen

Furs, worn loose so air circulates and sweat evaporates.





Packing—*Scott*



Scott's team had to unload, and re-load and re-lash their sledge at every camp, no matter what the weather.



Packing—*Amundsen*

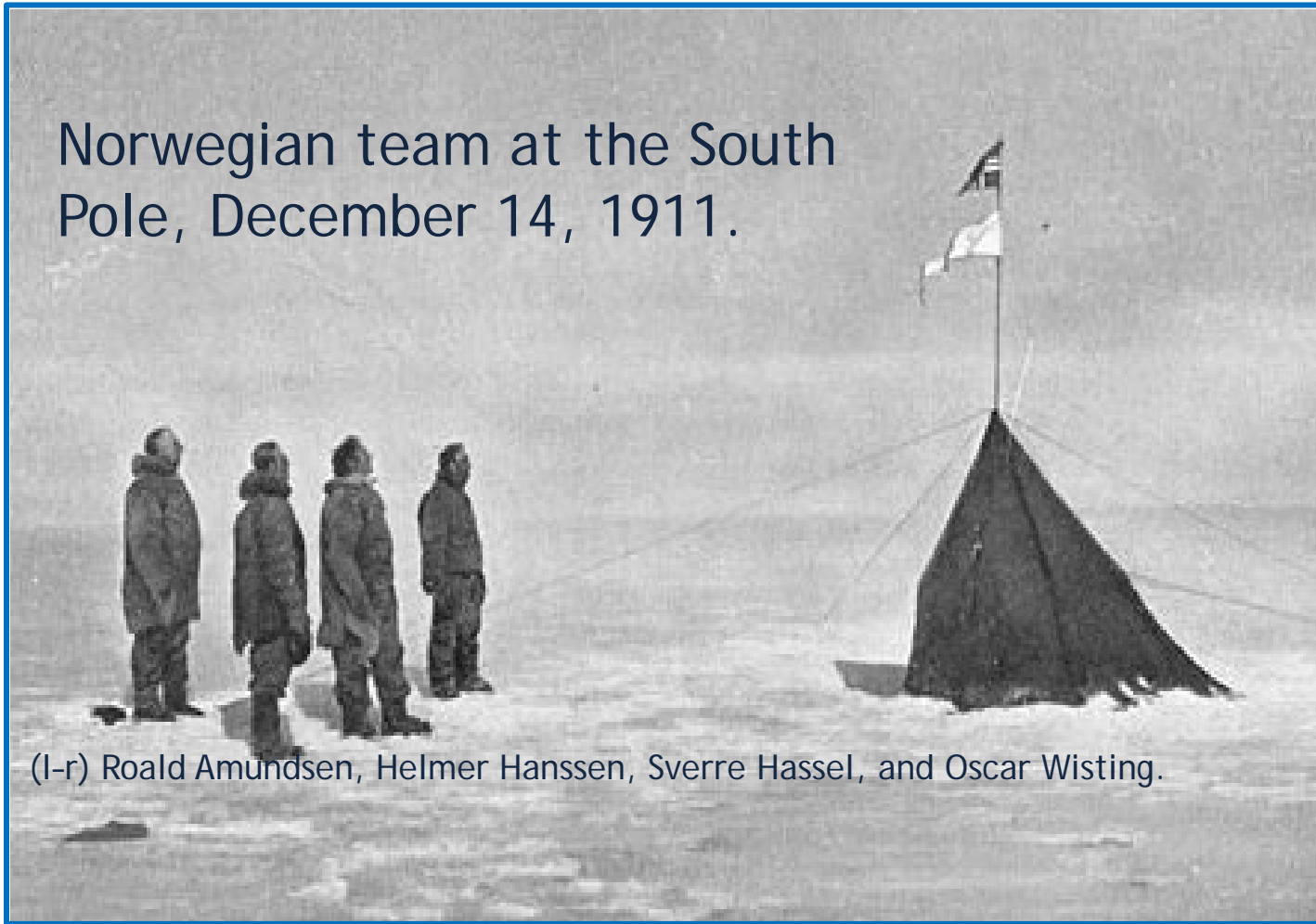
Amundsen used canisters that left his sledges permanently lashed and loaded.





The Outcome...Amundsen

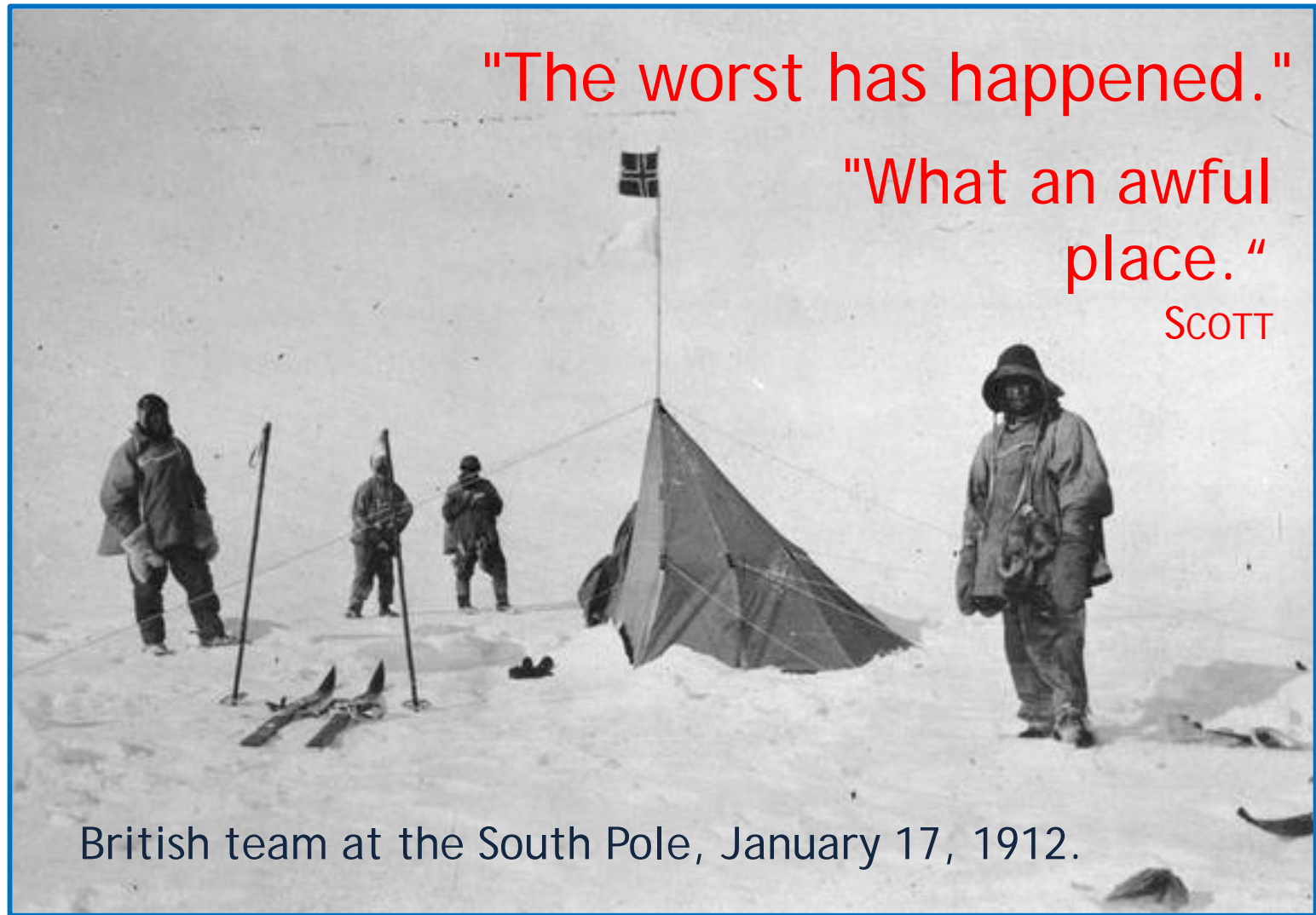
Norwegian team at the South Pole, December 14, 1911.



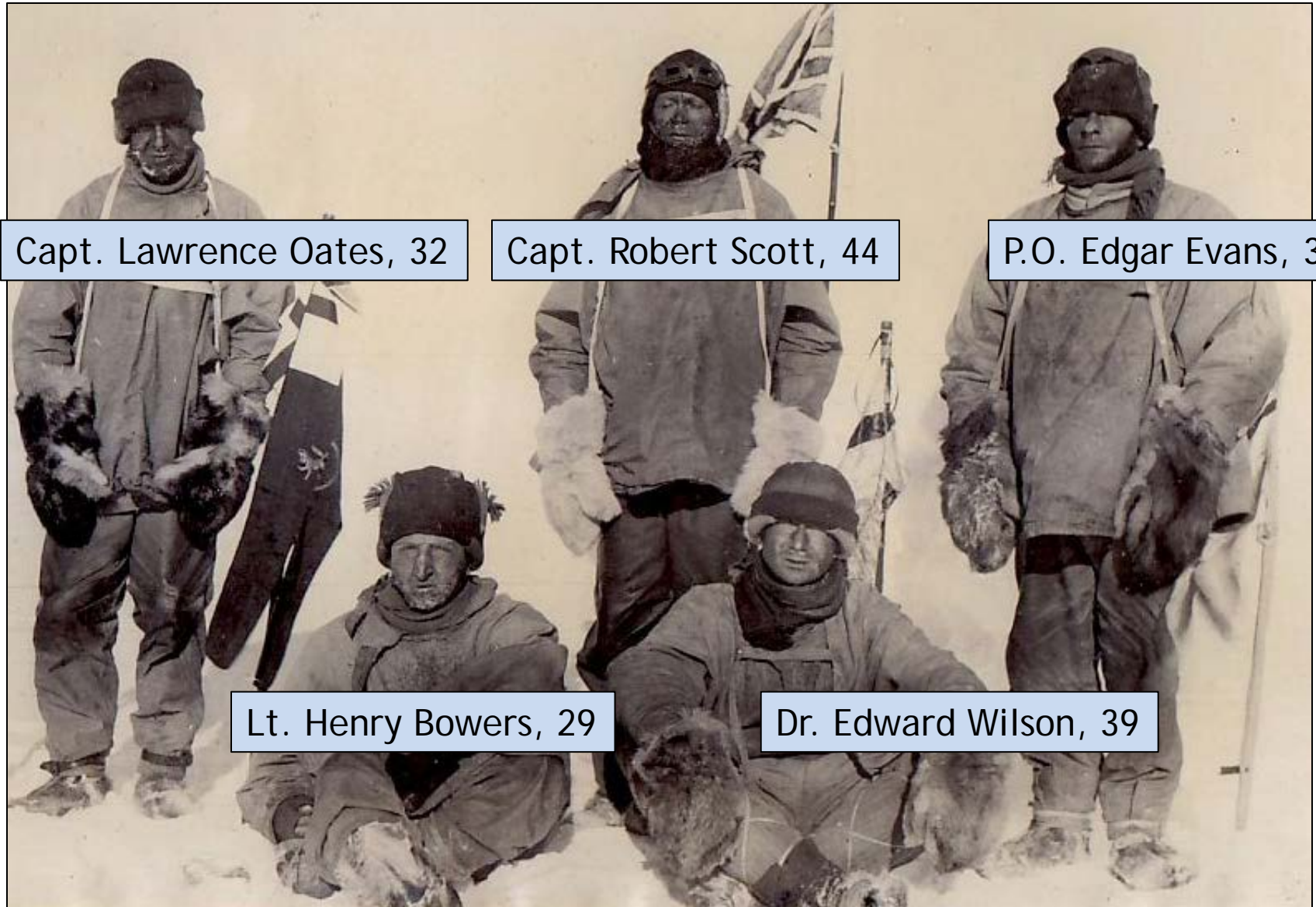
(l-r) Roald Amundsen, Helmer Hanssen, Sverre Hassel, and Oscar Wisting.



The Outcome...Scott



Snapshot in Time: *Second Place, and 800 Miles Back to Base Camp*



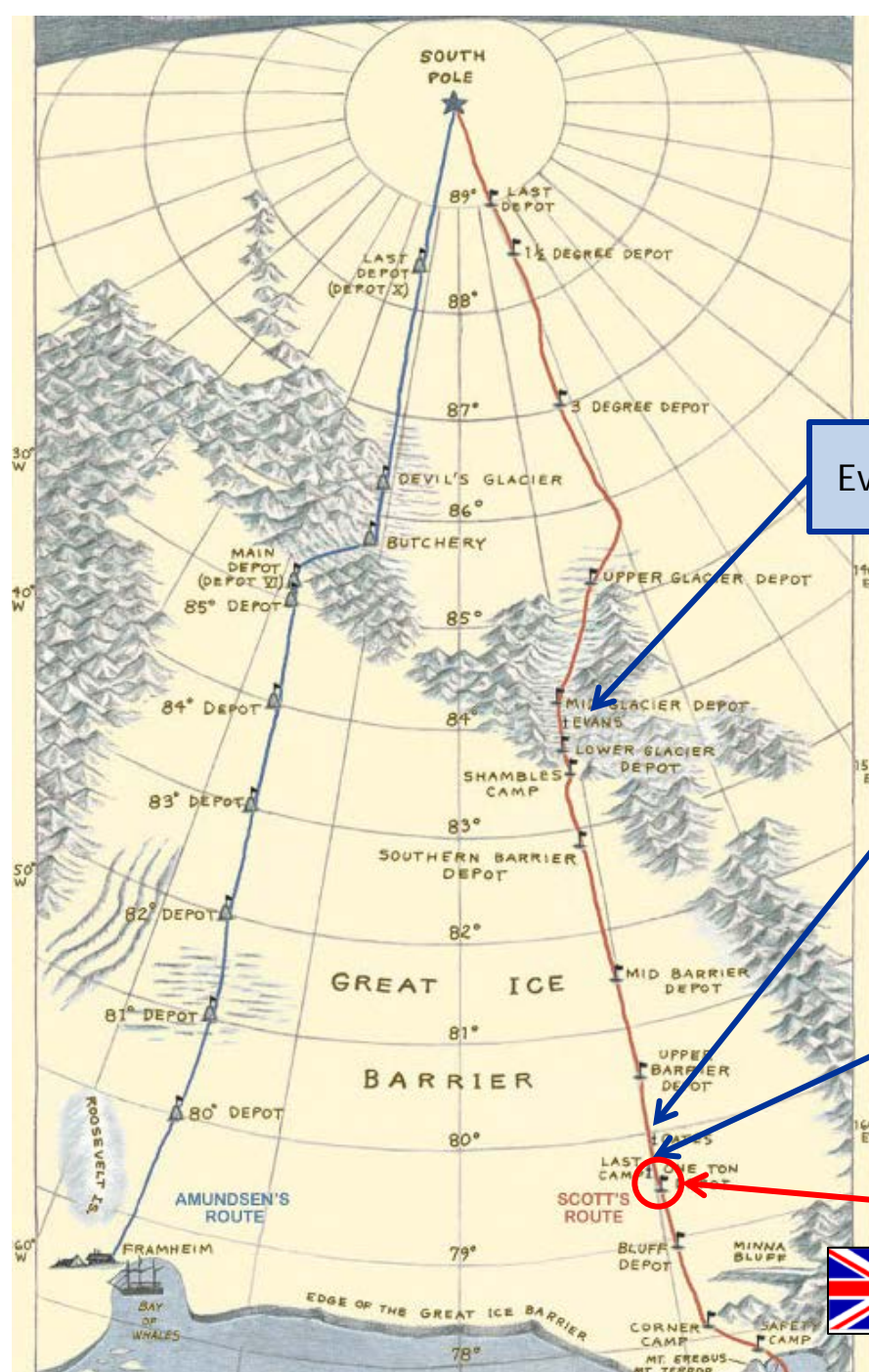
Capt. Lawrence Oates, 32

Capt. Robert Scott, 44

P.O. Edgar Evans, 36

Lt. Henry Bowers, 29

Dr. Edward Wilson, 39



Evans

Oates.
"I am just going outside and may be some time".

Scott,
Bowers,
Wilson

One-Ton
Depot



Failures Attributed to Scott

- Failure to organize an effective **transport strategy**, and in particular the failure to regard prior advice about the vital importance of dogs on polar journeys.
- Mismanagement of the **depot-laying**.
- Scott's worst mistake in planning was his **provisions**. He ended up dying because of lack of supplies because he hit a blizzard. He was only eleven miles from the next supply depot.
- Insistence on collecting **geological specimens** (35 pounds of rocks).
- Disruption of the logistics of the polar march by adding a fifth man (Bowers).
- Faulty judgment of character or ability, as in his alleged favoritism.
- General faults of character: Being aloof, self-absorbed, over-sentimental, inflexible, and obtuse.

Scott: *Hero or Heroic Bungler?*

“The causes of the disaster are not due to faulty organisation, but to **misfortune in all risks**....

These rough notes and our dead bodies must tell the tale.”

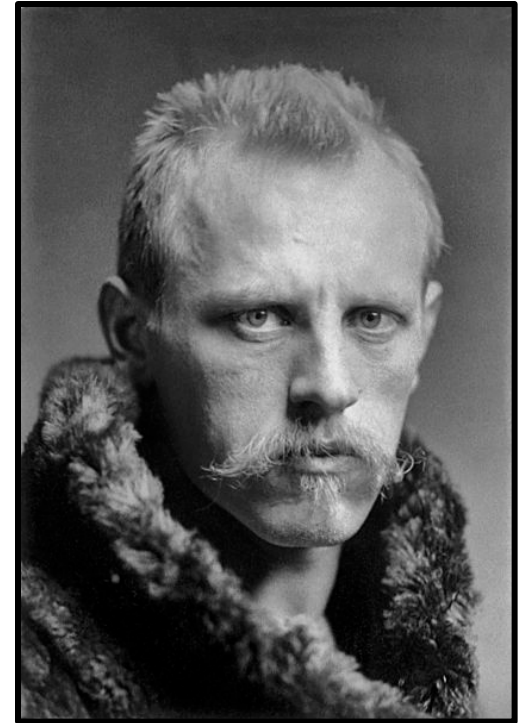
R. Scott, Message to the Public (March 1912)



On Luck

“Let no one come and prate about luck. Amundsen's triumph is that of the strong man who looks ahead.”

*Fridtjof Nansen, Polar Explorer, Winner Nobel Peace Prize,
and Amundsen's hero and mentor*



Roald Amundsen, *The South Pole* (1913)

“I may say that this is the greatest factor—the way in which every

RISK is foreseen and precautions taken for meeting or avoiding it.

Victory awaits him who has everything in order—luck, people call it. Defeat is certain for him who has neglected to take the necessary precautions in time.

This is called ‘bad luck.’”



The Romantic Hero vs. the Survivor

- Robert Baden-Powell, founder of the Boy Scouts Association, asked:

"Are Britons going downhill? No! There is plenty of pluck and spirit left in the British after all. Captain Scott and Captain Oates have shown us that."
- Eleven-year-old Mary Steel wrote a poem that ended:

"Though naught but a simple cross
Now marks those heroes' grave,
Their names will live forever!
Oh England, Land of the Brave!"
- Amundsen's victory was reduced in the eyes of many to an **unsporting stratagem**.

Toast by British Royal Geographical Society president to Amundsen:



“Three cheers...
for the dogs!”

“A sneering toast.”

Roald Amundsen resigned his membership in the RGS.



The South Pole Today: *Amundsen–Scott South Pole Station*



December 14, 2011



Norway's Prime Minister Jens Stoltenberg unveils an ice sculpture of polar explorer Roald Amundsen on the South Pole, Wednesday, Dec. 14, 2011.

What Risk Management Lessons can We Learn from this Event?

[White board]

1. Prepare in direct proportion to the stakes.
2. Consider your attitude and motivations about your undertaking. (Are you doing it BECAUSE it's hard?)
3. Set clear objectives, and share them with your team.
4. Define success.
5. Define your risk appetite, and communicate it to your team.
6. Identify and plan for threats (risks).
7. The role of luck in risk management. When you have not prepared sufficiently, you pray for good luck.
8. There is great risk in great accomplishments.

How Would You Describe the Campus's "Risk Appetite"?

- A. **Averse**—Avoidance of risk and uncertainty is a key organisation objective.
- B. **Minimal**—Preference for ultra-safe options that are low risk and only have a potential for limited reward.
- C. **Cautious**—Preference for safe options that have a low degree of risk and may only have limited potential for reward.
- D. **Open**—Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.
- E. **Hungry**—Eager to be innovative and to choose options offering potentially higher rewards, despite greater inherent risk.

Key Take-Aways....

1. Think about any initiatives your unit may be undertaking, and your unit's appetite for risk.
2. How does that appetite compare with the campus's?
3. Think about the potential threats to the initiative's success.
4. Determine what is at stake. What is the potential impact and likelihood?
5. Ask yourself: Have we thought this through in proportion to what's at stake? Does our ability to control the risk fall short of our appetite for that risk, so that we are relying on luck?

For More Information

- *Enterprise Risk Management—Integrated Framework (2004)*, Committee of Sponsoring Organizations of the Treadway Commission (COSO), www.coso.org/-erm.htm
- *The South Pole: An Account of the Norwegian Antarctic Expedition*, Roald Amundsen, 1912.
- *The Last Place on Earth: Scott and Amundsen's Race to the South Pole*, Roland Huntford, Modern Library Exploration, 1999.
- *The Last Place on Earth*, television mini-series, 1985.
- *Amundsen's South Pole Expedition*, Wikipedia.
- *Robert Falcon Scott*, Wikipedia