Plan for the Worst, Hope for the Best: Managing the Deep Downside Risk in Government and Business
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Abstract
Companies and governments plan ahead on the basis of the most likely outcome for revenue and expenditure and other performance measures but do need to include their management processes ways to think about the deep downsides that can cause them to fail. How should businesses do this? What tools are available for modelling the deep downside? This talk will consider these questions drawing on examples from the oil and insurance sectors and from issues that currently challenge the UK government. The talk will also discuss modelling techniques particularly the analysis of extreme value problems and the use of Generalised Pareto Distributions in decision making.

Speaker bio
Professor Dougal Goodman FREng worked for fifteen years for BP managing research, as Operations Manager for the Magnus offshore oil field, in group strategy, in refining, as global Head of Safety and in risk management in the Company Secretary's Department. He is a visiting professor at Cranfield University's Risk Centre. For five years he was a Deputy Director of the British Antarctic Survey responsible of the UK's polar research programme. He is now Chief Executive of The Foundation for Science and Technology, a charity which works between both Houses of Parliament, Whitehall, business and the research community to promote debate about policy issues that have a science, engineering, technology or medical element.

Professor Goodman is also non-executive Chairman of the Lighthill Risk Network, a consortium of insurance companies working to bridge the gap between the insurance market and the research community and does consulting work on strategy and risk for the marine insurance market. In recent years this has been for the International Group of the P&I Clubs who provide reinsurance for third party liability to 90% of the global shipping fleet. He has an MA and PhD in physics from Cambridge and a management degree from the Graduate School of Business at Stanford.