



NATIONAL ASSOCIATION OF FLIGHT INSTRUCTORS

# MENTOR

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# The Big Picture of Risk

CFI business skills for teaching and managing all types of risk

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# Today's talk is about Risk Management for CFIs



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## **We WILL cover**

- Other dimensions of risk to the CFI besides an accident
- The nature of risk
- Types of risk
- The Risk Cycle
- Risk Mitigation

## **We will NOT cover**

- Lots of sage advice and aphorism for accident prevention and safety
- IMSAFE, PAVE, PEACE, etc.
- There will be some, but not much

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# Perspective

- “**Risk management.** The identification, analysis and elimination (and/or mitigation to an acceptable or tolerable level) of those hazards, as well as the subsequent **risks**, that threaten the viability of an organisation.”

# As a business person, you take risks

- You manage risk, you do not eliminate it
- We tend to weigh one category – safety
- There are others that are interwoven with safety



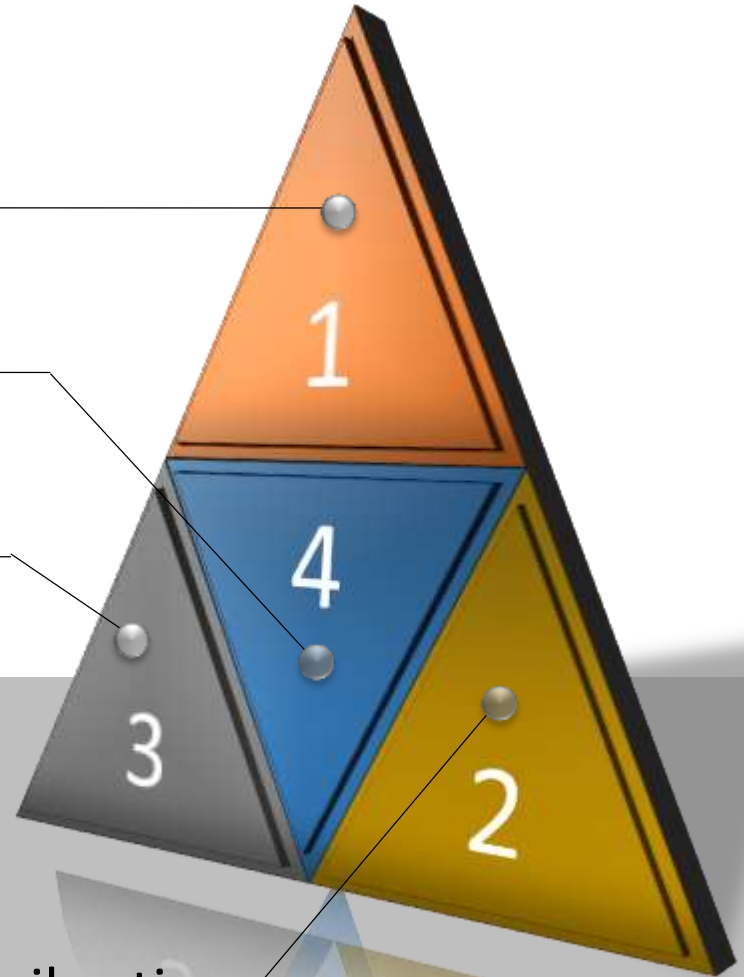
# Types of Risks

Business

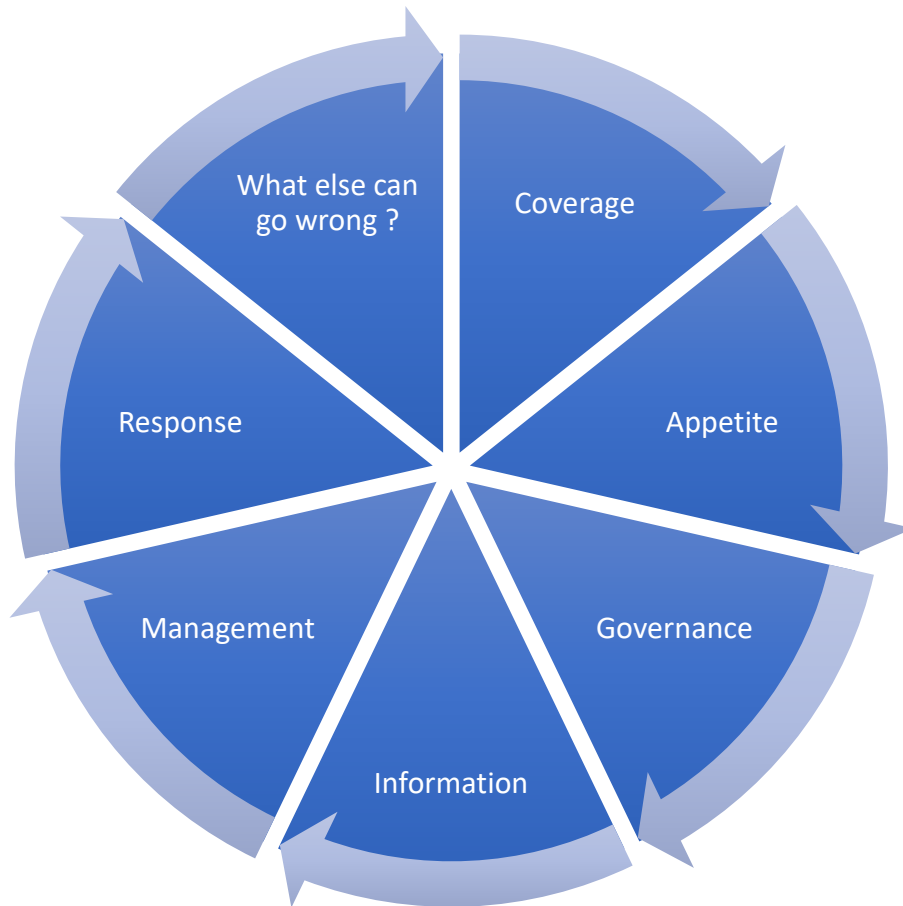
Flight safety

Regulators

Civil action



# The Nature of Risk

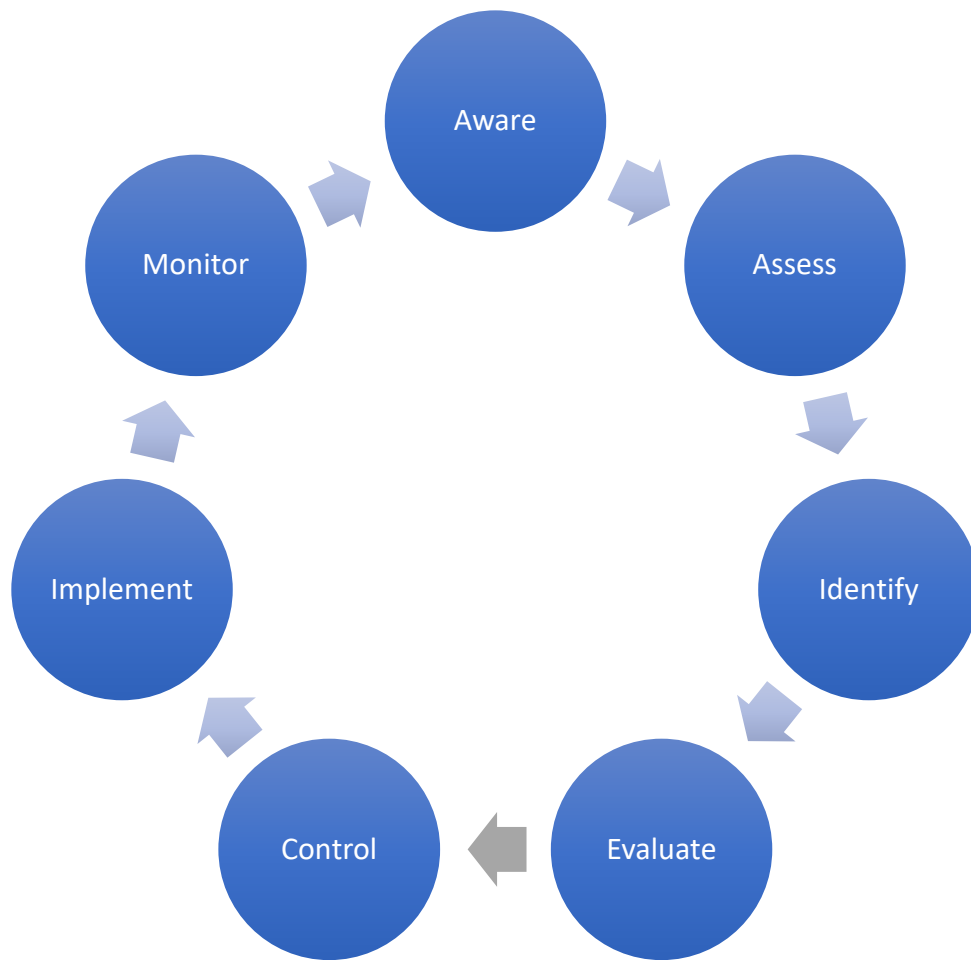


- Coverage – what are all the risks?
- Appetite – what risk are you willing to take?
- Governance – how good are you are oversight of risks?
- Information – do you know what you need to know?
- Management – size, scope and report results?
- Response – how well do you control and what are you doing about the risk?
- What else can go wrong ? - stress test your plan

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# Mitigating Risk



Aware – Acknowledge the presence of risk

Assess – What kind of risk factors apply?

Identify – Pin point the risk factors

Evaluate – Understand nature of risks

Control – Develop mitigation plan

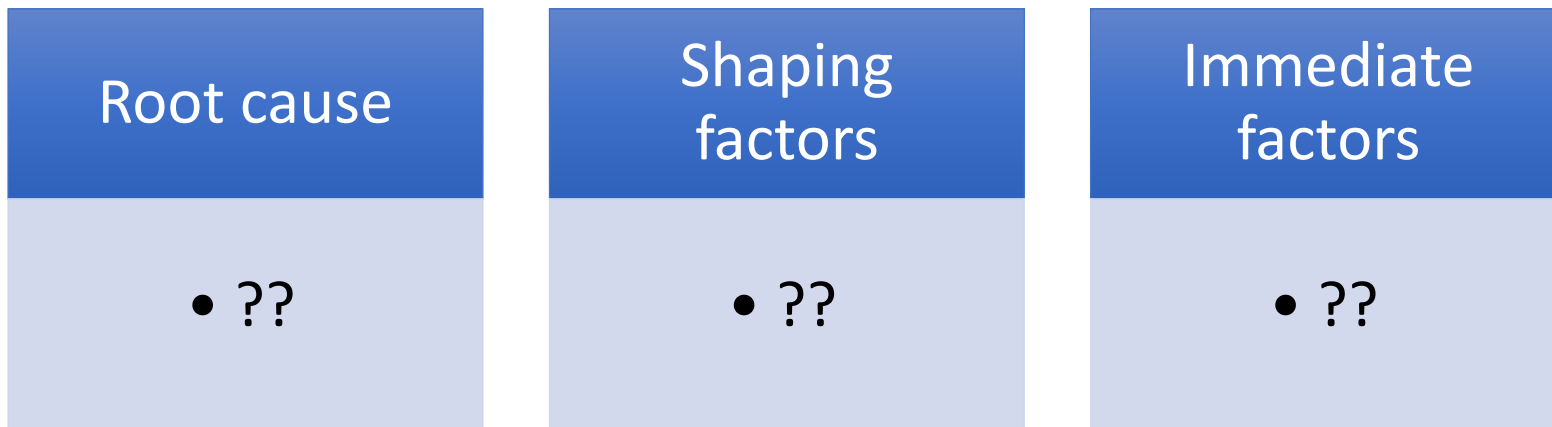
Implement – Do the plan!

Monitor – Is the plan working?

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# Risks for CFIs

- When you look at ONLY the flight , you aren't teaching the full risk management picture



- To teach risk management means accelerating a learning curve from rote to correlated wisdom

# Risks for CFIs

- HOW ARE VARIOUS RISK FACTORS MANIFESTED

## Root cause

- Regulatory
- Financial
- Civil
- Safety

## Shaping factors

- Emotions
- Stress
- Medication
- Fatigue

## Immediate factors

- Airplane
- Weather
- IFR / VFR etc.



# SCENARIO 1

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# Evaluate the risks

- Flight school / club
- Wealthy Type-A personality working on PPL
- Part 141 stage check notes revealed authority issues
- Failed first PPL test
- Passed second time
- Immediately starts to fly 2 & 3 passengers on weekend trips
- Is there risk? What do you do as a CFI to manage this risk if any?

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# Risk Management Exercise 1

- Business
- Event (Flight)
- Regulatory
- Civil



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# SCENARIO 2

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# Evaluate the risks

- You are asked to be the Chief CFI of a new club
- The club consists of a Cirrus SR20, and 2 C172s
- The 20 members' experience varies from 100 – 3000 hours
- The 2 C172s are owned by 2 founding members
- The first 2 months the club gets you about 200+ hours of instruction
- The 2 founding members offer you the title of “Club Manager,” a small salary in addition to instructing fees and send you a document to sign

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# Risk Management Exercise 2

- Business
- Event (Flight)
- Regulatory
- Civil



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# SCENARIO 3

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# Evaluate the risks

- Former student calls you for advice
- They are headed to OSH, and are uncertain of the weather
- The weather situation will require crossing a stationary front with several days history of afternoon storms
- The former student is instrument rated, flying a Piper Warrior

# Risk Management Exercise 3

- Business
- Event (Flight)
- Regulatory
- Civil



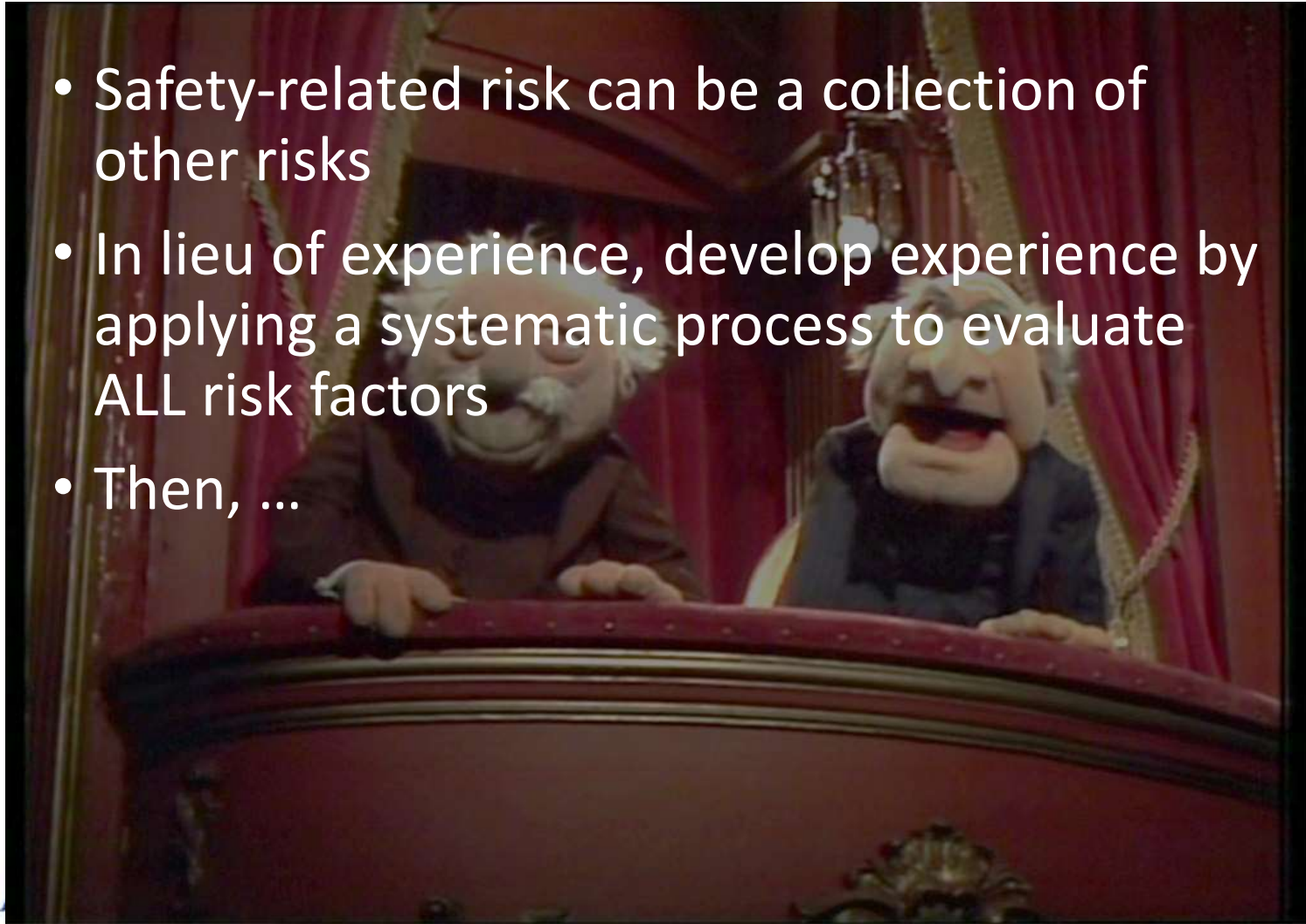
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# My Rules of Thumb

- If you are on the fence, you have already acknowledged you **CANNOT HANDLE THE PERCEIVED RISK**
  - Mitigate the risk by applying the risk cycle
- Research has shown that there are usually several events before the major event that causes the big issue
  - If you have uncovered 2 events across all of the categories, stop and apply the risk cycle

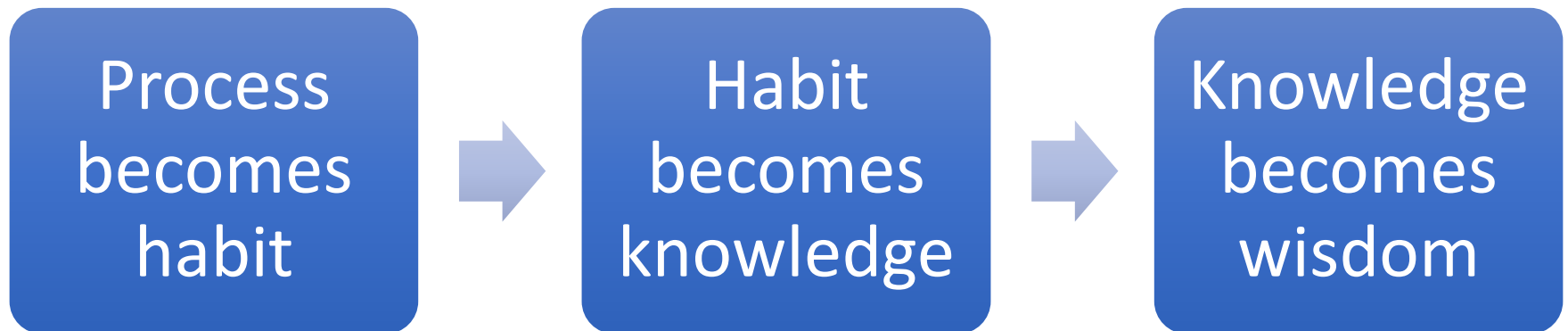
# Summary

- Safety-related risk can be a collection of other risks
- In lieu of experience, develop experience by applying a systematic process to evaluate ALL risk factors
- Then, ...



# Summary

- Over time.....



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# Q & A







*“Flying makes you better at everything else.”*

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