Two Lenses

Top Down or Bottom Up

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A leader creates a risk register from the top. The frontline creates a register from the bottom. Most of the time they are looking at the same portfolio, reaching different conclusions and nobody notices the gap. Risk workshops are organised to get both registers using the same methods and the two are thought to be complementary when in fact they are different parts of one view.

The difference is nuanced and easy to miss; you need two risk assessments, not one. The top down assessment frames the picture and the bottom up assessment fills it with the risks that matter. They are separate exercises that describe the same portfolio, and the work is fitting one inside the other.

Look from the bottom and you get everything. Every hazard anyone thought of, scored and owned, a few hundred lines deep. That is the point of it, and it is also the trouble with it. A register that long does not tell you which line matters. The signal is in there somewhere, buried under its own completeness. The bottom shows you all of it and emphasises none of it.

Look from the top and you get the few things that count. Every risk quantitatively defined, ready to be analysed. The strategic view is broad and squeezes out a short list a board can actually act on. The top shows you the emphasis but misses the detail.

This is the story of two registers, neither wrong and both needed.

> ***Register, n.*** *A book in which a company records the misfortunes it has agreed, in advance, to be surprised by.*
>
> ***Second Register, n.*** *The first register, rebuilt by a man who has forgotten he owns the first. The triumph of industry over memory.*
>
> *— in the spirit of Ambrose Bierce*

So which view is right? The question is a trap, the same trap as asking whether a telescope is better than a microscope. Neither is a worldview. They are two lenses on one landscape, and each is useless at the other one's job. The telescope cannot see the cell. The microscope cannot find the moon. Hand someone the wrong one and they will describe, with great confidence, the wrong thing.

The job is not choosing one. The job is the line of sight between them. The ranking the leader reads from the top has to drill cleanly into the individual risks the analyst works from the bottom, and the two have to tell one story the whole way down. That is the actual deliverable. Either view alone is half a sentence.

I did not design this. I came upon it by accident. I built the top down register in probabilities with lower and upper ninety per cent bounds, and left the bottom up in the usual five by five matrix. I was certain I was running one exercise with two teams, executives at the top and the frontline at the bottom, describing the same thing from different chairs. The switch in language broke that open. When I pulled the critical risks out of the hundreds and put real values on them, they did not line up beside the strategic risks as a second set. They dropped inside them, the detail of the few, not rivals to them. Not one exercise with two teams. Two exercises pointing at one set of risks.

Worked from the bottom, the ground is overwhelming and honestly subjective. The frontline sees everything, so the list is enormous, and what floats to the top of it is whatever feels most pressing; the recent, the loud, the thing that went wrong last month. Volume is not insight. No one can weigh a register no one can hold.

Worked from the top, the landscape is indispensable and every bit as subjective. The executive view says where value is made and lost, and which few things would matter to the enterprise; but a map drawn in a workshop is still drawn from memory. Neither view is the truth. They are two opinions at different altitudes.

What turns two opinions into something you can act on is the part almost everyone misses, and it is the part I nearly missed myself. The qualitative register is usually left exactly as it was made, kept to prove the assessment happened rather than to act on it, evidence of compliance rather than exposure of risk. The risk it never tests is also the opportunity it never finds.

The work begins when you isolate the handful of qualitative risks worth serious attention and do the thing almost nobody does: you quantify them. A five by five matrix cannot show that a frontline risk is a facet of a strategic one, every box looks like a peer. Probabilities with bounds can, because two estimates of the same underlying thing either converge or nest. That single step is what brought the two views into contact.

Two things happen when you do it. Where the views already agreed, the measurement confirms them, and the agreement means something now, because it survived being tested rather than resting on two sets of intuition. Where they did not agree, the deep look fills the gap from one side or the other. Each view supplies a dimension the other could not see. That is why both are necessary, and why merging them into one is the wrong instinct.

Top down without bottom up is focus with no foundation. Bottom up without top down is coverage with no priority. You build two and you keep two. The top down view becomes the frame, the bottom up the detail, and the job is to set the detail into the frame until the two become one picture. The discipline is not picking a view. It is working both until they point at the same thing.

