

FRONT of CARD

Version 1.2

Programmatic Risk Management

Risk: An uncertain event or condition that, if it occurs, has a positive or negative impact on a project.

Risk Management: The systematic process of identifying, analyzing, and responding to project risk.



Risk Identification

What Can Go Wrong?

- Risk-adverse culture
- No formal or proactive risk management policy, plan and/or program
- Poorly defined requirements
- No integrated project schedule
- Poor configuration management
- Poor quality controls
- High staff turnover
- Undocumented processes
- Poorly defined acceptance criteria

Risk Analysis

Characterize the Risk

- Probability/Likelihood
- Potential Impact/Consequence
- Risk Exposure (RE)
Probability x Impact = RE
- Risk Level: Low, Medium, High
- Risk Type: Cost, Schedule, Technical, Performance
- Early/Late Impact Dates

Risk Planning

Risk Mitigation Options

- **Accept** the risk level and continue on current plan
- **Avoid** by eliminating the risk cause and/or consequence
- **Control** the cause or consequence
- **Transfer** the risk

Monitor and Control

Risk Tracking

Risk Status Monitoring

- Submit weekly 'Top 10 Risk' report to PM
- Hold monthly risk reviews
- Enable risk visibility & communication with all stakeholders using web-based Risk Radar *Enterprise*
- Actively monitor risk mitigation actions

Questions to Consider

- Is the risk based on factual information?
- Is the risk truly a risk, or is it a problem that requires immediate action?
- Is the risk statement in the proper "If...then..." format?
If: A condition with Likelihood/Probability
Then: The Consequence/Impact
- If the risk impacts other areas of the project, are those managers aware of it?
- Are all stakeholders encouraged to participate in the RM process?

Copyright © AMERICAN SYSTEMS 2010 All Rights Reserved.

Cut out along dotted line, paste to BACK of CARD, laminate, and keep handy for future reference.

Cut out along dotted line, paste to BACK of CARD, laminate, and keep handy for future reference.

FRONT of CARD

Version 1.2

Cut out along dotted line, paste to FRONT of CARD, laminate, and keep handy for future reference.

BACK of CARD

Version 1.2



Copyright © AMERICAN SYSTEMS 2010 All Rights Reserved.

Programmatic Risk Analysis

Consult non-advocates to support risk analysis

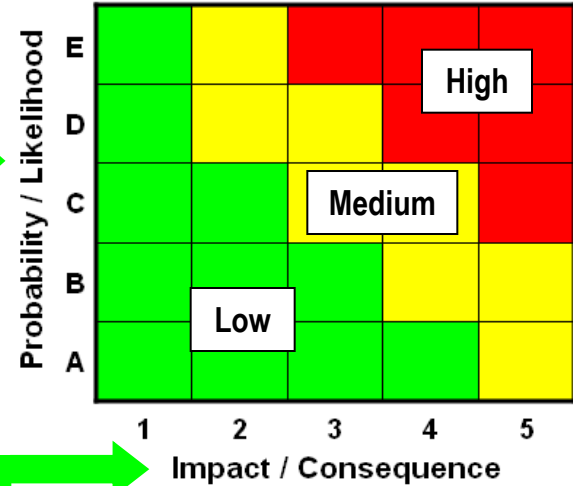
What is the probability or likelihood the risk will actualize?

Probability / Likelihood

Level	Likelihood	Probability of Occurrence
E	Near Certainty	~90%
D	Highly Likely	~70%
C	Likely	~50%
B	Low Likelihood	~30%
A	Not Likely	~10%



Risk Exposure

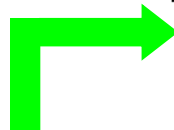


Always consider interdependencies and benefits impacts

If the risk is actualized, what would be the magnitude of the impact?

Impact / Consequence

Level	Technical Performance	Schedule	Cost
5	Severe degradation in technical performance; Cannot meet KPP or key technical/supportability threshold; will jeopardize program success	Cannot meet key program milestones. Slip > * months	Exceeds budget increase or unit production cost threshold > ** (10% of Budget)
4	Significant degradation in technical performance or major shortfall in supportability; may jeopardize program success	Program critical path affected. Slip < * months	Budget increase or unit production cost increase < ** (10% of Budget)
3	Moderate reduction in technical performance or supportability with limited impact on program objectives	Minor schedule slip. Able to meet key milestones with no schedule float. Slip < * month(s) Sub-system slip > * month(s) plus available float	Budget increase or unit production cost increase < ** (5% of Budget)
2	Minor reduction in technical performance or supportability, can be tolerated with little or no impact on program	Able to meet key dates. Slip < * month(s)	Budget increase or unit production cost increases. < ** (1% of Budget)
1	Minimal or no consequence to technical performance	Minimal or no impact	Minimal or no impact



Real Help Is Available!

AMERICAN SYSTEMS
13390 Parkeast Circle
Chantilly, VA 20151

Ph: (757) 548-0708, x3100

Email: RiskRadar@AmericanSystems.com

Web: www.AMERICANSYSTEMS.com

Cut out along dotted line, paste to FRONT of CARD, laminate, and keep handy for future reference.

BACK of CARD

Version 1.2