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An Approach to Risk Management

Risk & Opportunity Management

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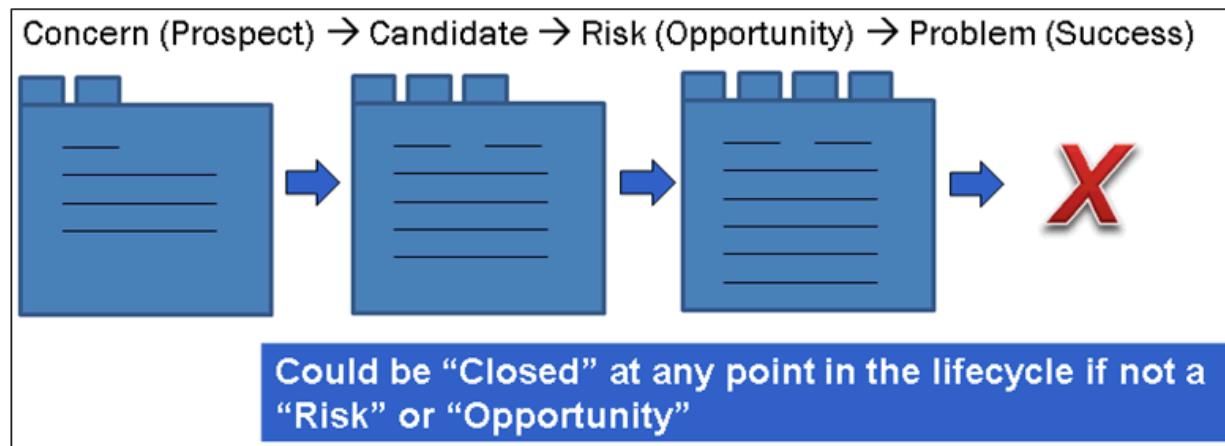
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Process & Tool Goals

- Initially spent a great amount of person hours working to customize our process and tools to best meet our goals, which included:
 - *With the understanding that capturing of risk items expends resources*, design the process and tool to:
 - Allow for a graded approach in data capturing as a risk item is deemed necessary for maturation (example: Concern → Candidate → Risk)
 - Only make active those fields with a true business justification
 - Enhance user experience and assist with thorough data collection, reducing the number of maturation sessions required, through purposeful arrangement and labeling of fields
 - Help assure accuracy of data entry and reports by minimizing fields that are programmed as “mandatory”
 - Enable common best practices across the corporation by encouraging the sharing of the process and tool with other projects, capitalizing on:
 - Common processes and interfaces, providing incentive for collaboration across programs, and a more agile workforce to respond to changing mission work priorities.
 - Common reporting for clear communication up and across levels of management.
 - Reduction in total cost of ownership:
 - Reduced overhead with IT support required in management of servers and maintenance of one instance versus multiple instances
 - Reduces the number of licenses required per individual, decreasing license purchases and maintenance costs for the end user

Graded Approach & Rigor

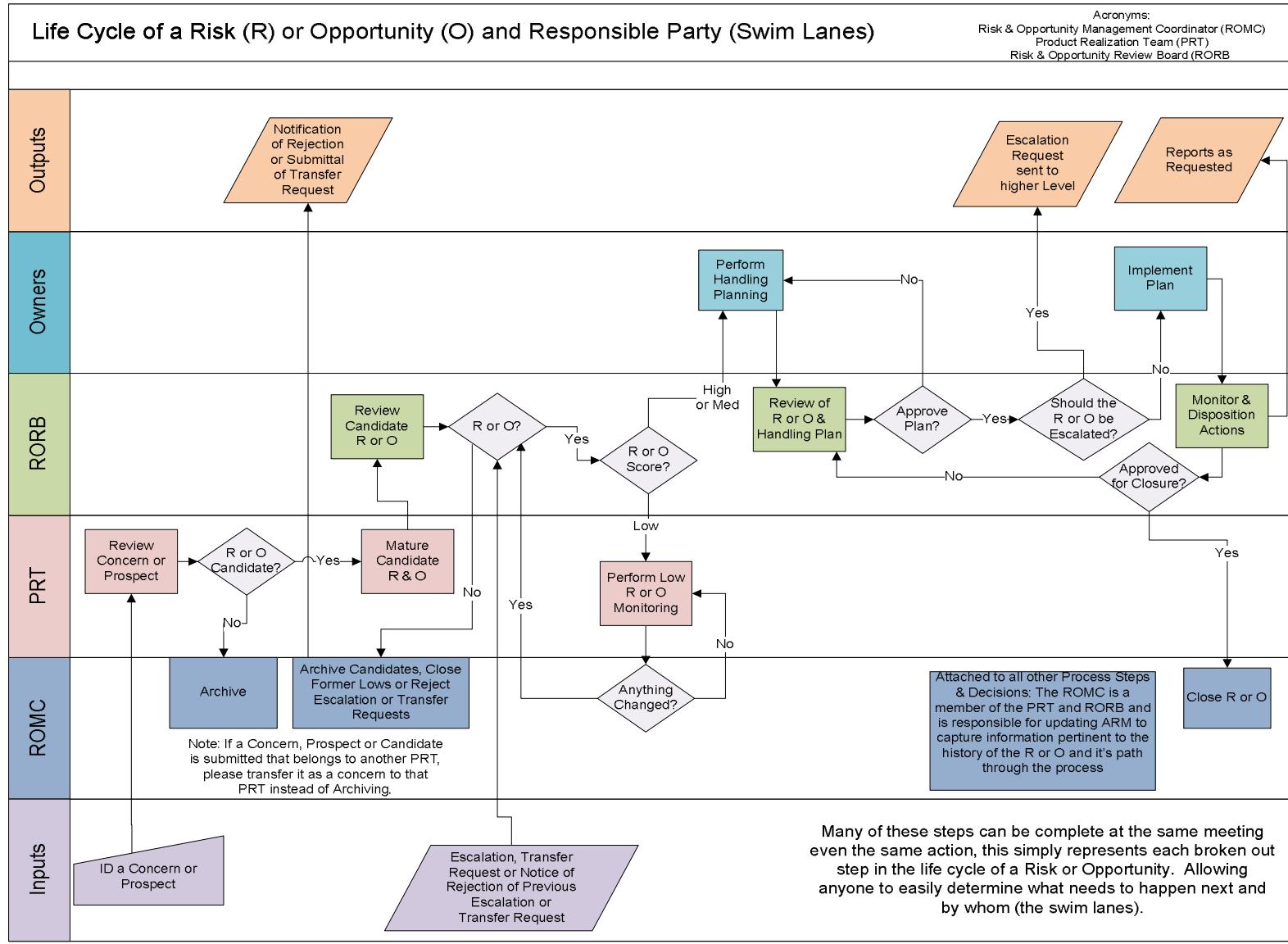
- Our Risk & Opportunity Management Plans, Processes & Tools were developed to optimize resource utilization through progressive addition of data and increasing levels of rigor as the risk or opportunity continues through its lifecycle.



Key Definitions for Our R&O Management

Concern	The precursor to a risk or a problem; a worry that needs further definition and approval.
Prospect	The precursor to an opportunity that needs further definition and approval.
Candidate Risk or Opportunity	A concern or prospect that has been further defined and is recommended for addition to the formal Risk or Opportunity Management List.
Risk	An uncertain event or condition that, if it occurs, has a negative effect on a project's objectives that has been approved by the associated RORB for inclusion on the Risk Management List.
Opportunity	An uncertain event or condition that, if it occurs, has a positive effect on a project's objectives that has been approved by the associated RORB for inclusion on the Opportunity Management List.
Problem	A realized event or condition that has had a negative impact on meeting a project's objectives.
Mitigation	A type of handling strategy; activities that are required in addition to the baseline project plan to bring the risk likelihood and/or consequence to an acceptable level.

The Process



PMBOK® Overlay

Life Cycle of a Risk (R) or Opportunity (O) and Responsible Party (Swim Lanes)

Acronyms:
 Risk & Opportunity Management Coordinator (ROMC)
 Product Realization Team (PRT)
 Risk & Opportunity Review Board (RORB)

Plan Risk Management

