

Exceptional service in the national interest



SNL Enterprise Risk Management Overview

13 August 2013

V2


Contents

- Enterprise Levels
- NSE & SNL Joint ERM Programs
- SNL Joint ERM Programs
- Program Integration Working Group
- Benchmarking
- Path Forward

Enterprise Levels

ERM Workshop
Effort



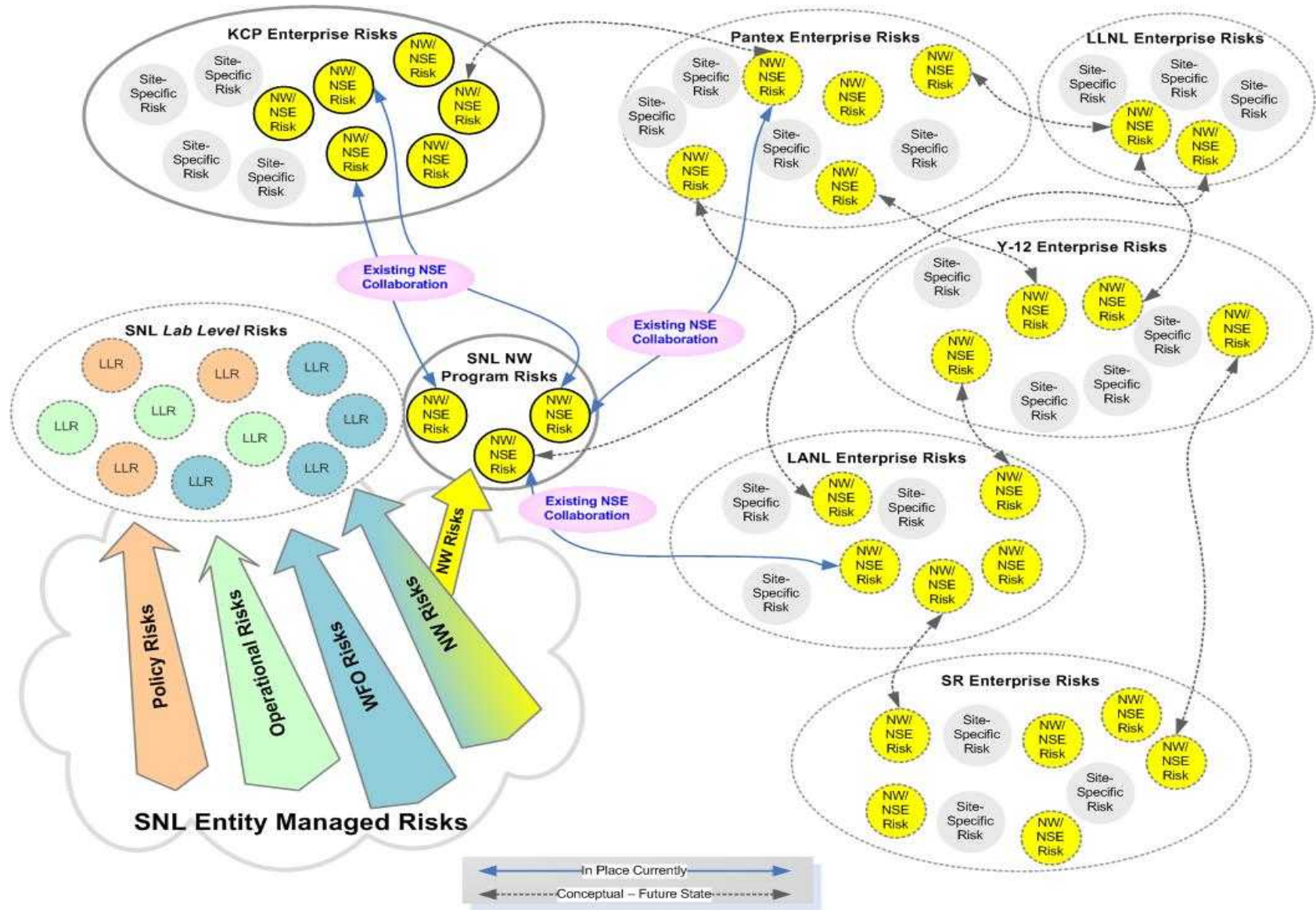
Joint Enterprise	Enterprise	Organization Enterprise	Portfolios (See Note 1)	Programs (See Note 1)	Projects (See Note 1)
Level 6	Level 5	Level 4	Level 3	Level 2	Level 1
Nuclear Weapons Council (Joint DoD/DOE Organization)		KCP, LANL, LLNL, NNSS, PX, SNL, SRS, Y-12, NNSA HQ	DSW	Cruise Missiles	LEP, SS-21, ALT, Mod, LLC
				SLBMs	LEP, SS-21, ALT, Mod, LLC
				ICBMs	LEP, SS-21, ALT, Mod, LLC
				Bombs	LEP, SS-21, ALT, Mod, LLC
				Stockpile Services	Dismantlement LLCE
			Campaigns	Engineering	
				Science	
				ICF	
			RTBF		Materials Management
					Facilities
					Construction
	DoD	USAF - NWC			
		USN - SSC			

Notes:

1. NNSA Reference: RMI R008, Issue A (Portfolio-Program-Project Management)

V4

NSE & SNL Joint ERM Programs



SNL Joint ERM Programs

- SNL/KCP Joint Enterprise Risk Management Program:

- This successful joint program has been underway for more than a year.
 - Quarterly reviews are held with the risk owners (i.e., Sr. Managers at each site)
 - Quarterly reviews are held with “executives” at SNL and the KCP (e.g., Bruce Walker (VP, SNL), Chris Gentile (Pres., KCP), et. al.)
- Mark McLean and Dave Gangel are our primary contacts at the KCP.



- SNL/LANL Joint Enterprise Risk Management Program:

- This joint program is in the development stage.
- Risk categories are being created for the “risk identification” phase.
- Wendy Baca is our primary contact at LANL.

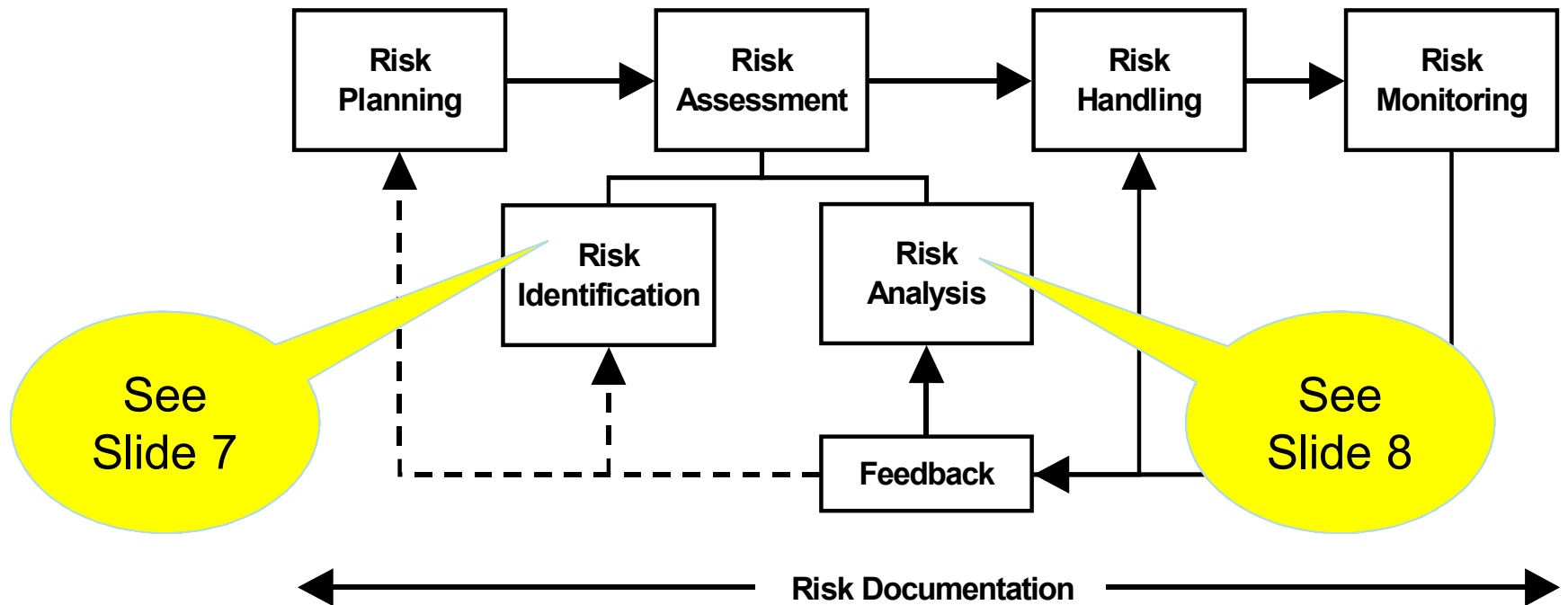


- SNL/PX Joint Enterprise Risk Management Program:

- This joint program is in the development stage.
- Risk categories are being created for the “risk identification” phase.
- James Lemmon is our primary contact at PX.



Risk Management Process



Risk Identification

Potential Risk Categories

Potential Enterprise Risk Categories / Risk Areas										
	Business / Technology Development	Requirements	Development	Tech Maturation / Integration	Infrastructure	Safety	Security	Quality	Production	Surveillance / Testing
SNL / KCP		✓	✓		✓				✓	
SNL / LANL	✓	✓	✓	✓	✓				✓	✓
SNL / PX			✓			✓	✓	✓	✓	

Risk Analysis

Enterprise Risk Grading Matrix

Probability	Very Likely	Low (5)	Medium (11)	High (19)	High (21)	High (25)
	Likely	Low (4)	Medium (10)	Medium (14)	High (20)	High (24)
	Possible	Low (3)	Low (8)	Medium (13)	High (18)	High (23)
	Unlikely	Low (2)	Low (7)	Medium (12)	Medium (16)	High (22)
	Very Unlikely	Low (1)	Low (6)	Low (9)	Medium (15)	Medium (17)
		Negligible	Marginal	Significant	Critical	Crisis
Consequence						

Program Integration WG

- Current Membership:
 - AFNWC: Lori Maestas
 - AF SAF/AQXRR: Ray Flores
 - KCP: Dave Gangel, Mark McLean
 - NNSS: Don Ray
 - SNL: John Bowers
- Pilot Program Integration Project:
 - Enterprise Risk Management:
 - Phase 1: Create Integrated SNL/KCP ERP System
 - Phase 2: Expand Integrated ERP System to other sites
 - Develop “Integrated Risk Analysis” Techniques
 - Ensure that sufficient risk analysis methodologies, tools, and techniques generate credible cost, performance, and schedule risk analysis results.
 - Integrate the cost, performance/technical, and schedule risk results into a multi-faceted program representation.

Benchmarking

- Organizations:
 - NASA:
 - Kennedy Space Center (FL)
 - Jet Propulsion Laboratory (CA)
 - USAF:
 - Airborne Laser Program Office (Kirtland AFB)
 - National Laboratories
 - Lincoln Laboratory
 - Applied Physics Laboratory
 - Draper Laboratory
- Systems Engineering / Project Management Processes
 - Risk Management

Path Forward

- Joint Enterprise-Level Risk Management Programs:
 - Continue SNL/KCP Joint Enterprise Risk Management Program
 - Develop SNL/LANL Joint Enterprise Risk Management Program
 - Develop SNL/PX Joint Enterprise Risk Management Pro
- Program Integration Working Group:
 - Develop Pilot Program Integration Project (Enterprise Risk Mgmt.)
 - Phase 1: Create Integrated SNL/KCP ERP System
 - Phase 2: Expand Integrated ERP System to other sites
 - Develop “Integrated Risk Analysis” Techniques
- Benchmarking:
 - Continue ERM data collection from benchmarking partners
- NNSA ERM:
 - Continue to participate in NNSA ERM Workshops

BACK-UP SLIDES

Sandia Corporate Risk Policy

Corporate Risk Policy requirements -- very basic:

- All management roles *have the authority and accountability to manage risks associated with their areas of responsibility and be able to demonstrate they are doing so.*
- Executive-level roles required to use Sandia's Assurance Information System (AIS) application for recording the steps in the Manage Risk procedure – to enable trending/analysis at an Enterprise level.

