

Risk Management Training



Contractor Assurance
Center 9200

PRESENTED BY

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Welcome & Introductions

- Name
- Organization
- Why you are here

Agenda

What we will cover today

- Overview of the Labs' new *Identify and Manage Risks and Opportunities* Process



Sage

Risk Management

- Walkthrough of the risk module in Sage
 - Creating a New Risk Record
 - Developing a Risk Treatment Plan
 - Reports and Dashboards

Timeline

**Sept 10,
2018**

Soft
launch
training
begins

**Oct 2018-
March 2019**

Assessments
module
build-out &
training
continues

**Sept 30,
2018**

Soft launch
Risk &
Issues
modules

April 1, 2019

Sage launch
(AIS turned off)

- Active AIS records moved
- Historical records moved to archival solution

Risk vs Issue

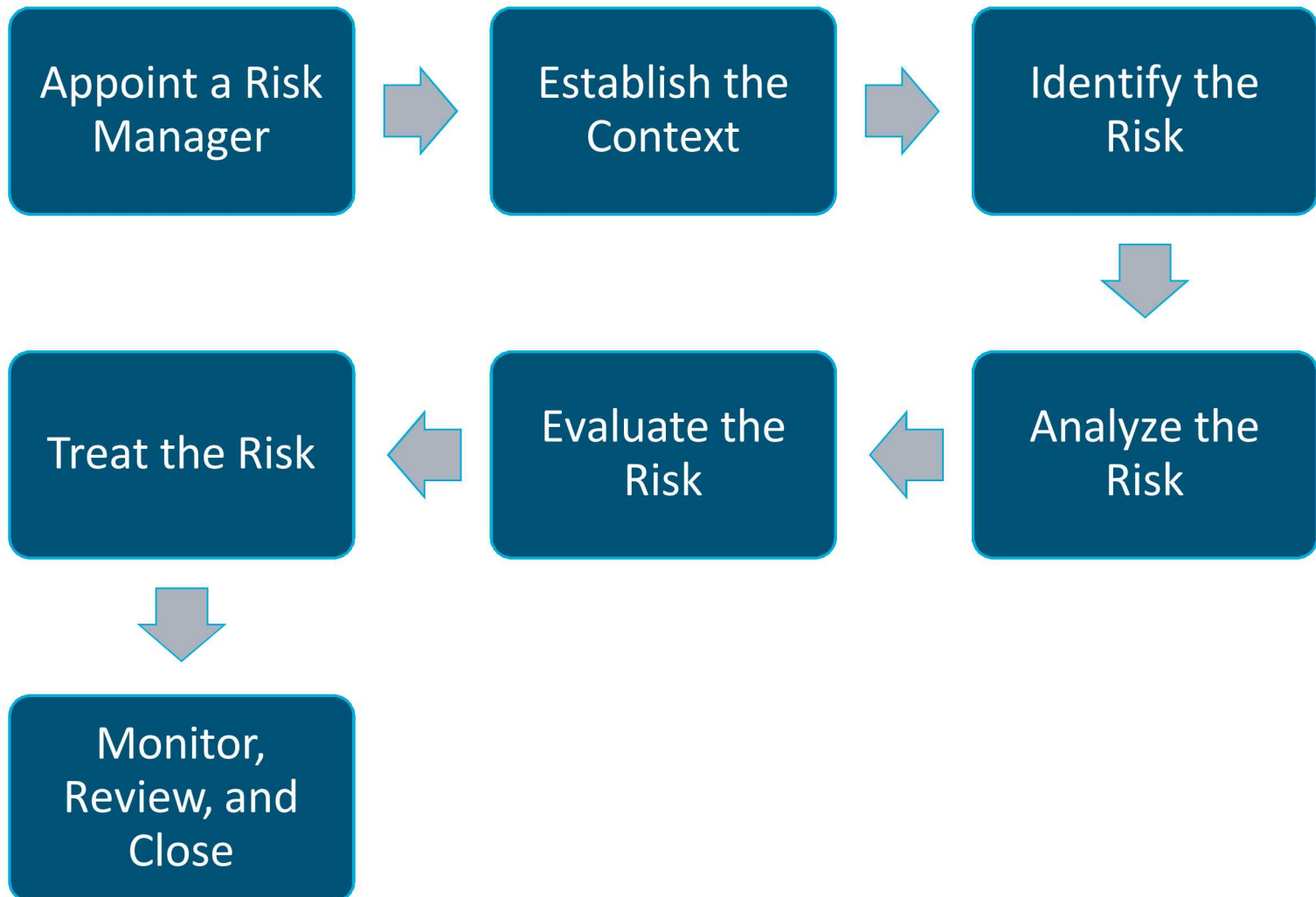
Risk

- Events or conditions that MAY occur
- Responses are planned
- May have a negative impact
- Risks become issues if they occur

Issue

- Event or condition that IS occurring
- Not predicted
- Always has negative impacts
- Must be addressed and corrected

Risk Management Process



Begin Risk Management Process

Appoint a Risk Manager

- Oversees the overall risk implementation
- Has authority
- Identifies the risk owner or treatment plan owners
- Understands the process
- Identifies stakeholders

Establishing the Context



Understand factors in the environment that could impact the achievement of business/mission objectives.

External Environment



Climate



Economy



Political



Legal

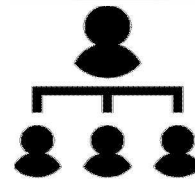


Regulatory

Internal Environment



Organizational Culture



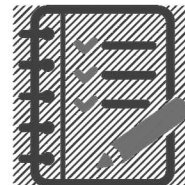
Organizational Structure



Policies and Processes



Resources



Project Requirements

Identifying the Risk



- Brainstorming
- Review lessons learned
- Change in customer requirements
- Review audits and assessments
- Meetings with the Sandia Field Office or Senior Leadership Team
- Review previous issues

Analyze the Risk



- Identify whether the risk is systemic (occurring across several organizations)
- Determine the ***likelihood*** of the risk occurring
 - Scale of 1 (very low) to 5 (very high)
- Determine the ***consequence*** of the risk, should it occur
 - Scale of 1 (very low) to 5 (very high)

Likelihood Descriptors

Rating	Description	Likelihood of Occurrence
1	Very Low 1%-20%	Highly unlikely, but it may occur in exceptional circumstances. It could happen, but probably never will.
2	Low 21%-40%	Not expected, but there's a slight possibility it may occur at some time.
3	Moderate 41%-60%	The event might occur at some time.
4	High 61%-80%	There is a strong possibility the event will occur.
5	Very High 81%-100%	Very likely. The event is expected to occur.

Consequence Descriptors, “Very Low” example

Range from 1=very low to 5=very high

Rating	Level	Schedule	Cost	Environment Safety & Health	Mission Impact	Reputation & Image	Security	Strategy
1	Very Low	1-2 weeks or 3% total schedule delay to the critical path or near critical path.	Unallowable costs <\$5K or % of budget cost impact < 3.5%	Virtually no inherent ability to result in injury, illness; use no chemicals or materials; minimum ergonomic exposure; and/or do not involve travel.	Negligible degradation in performance, requirements can be met. Redesign will not be required. Suitable facilities and equipment exist and are in use. Critical systems unavailable for less than one hour.	Limited public awareness that’s easily resolved.	Minimal or no potential for security-related impacts or occurrences.	Negligible impact to achieving strategic results which can be resolved as part of day-to-day management activities.

Initial vs Residual Risk

Initial Risk

- Status *before* anything is done

Residual Risk

- Prediction of the status *after* the actions to address the risk are complete

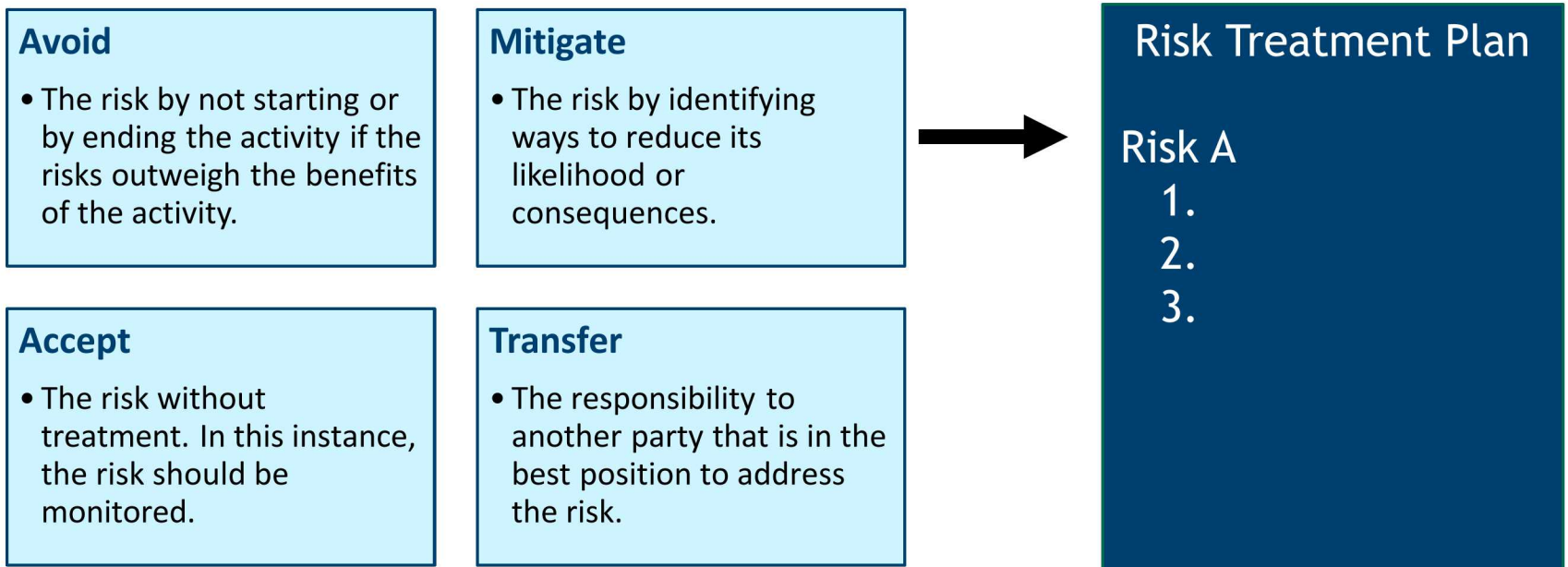


Qualitative Risk Analysis Matrix						
Likelihood	Very High (5)	Low 5	Moderate 10	High 15	High 20	High 25
	High (4)	Low 4	Moderate 8	Moderate 12	High 16	High 20
	Moderate (3)	Low 3	Low 6	Moderate 9	Moderate 12	High 15
	Low (2)	Low 2	Low 4	Low 6	Moderate 8	Moderate 10
	Very Low (1)	Low 1	Low 2	Low 3	Low 4	Moderate 5
		Very Low (1)	Low (2)	Moderate (3)	High (4)	Very High (5)
	Consequence					

Treat the Risk



Risk Treatment Options



Monitor, Review & Close a Risk



Monitor and Review

- Review overall risks
- Status on reach risk or treatment

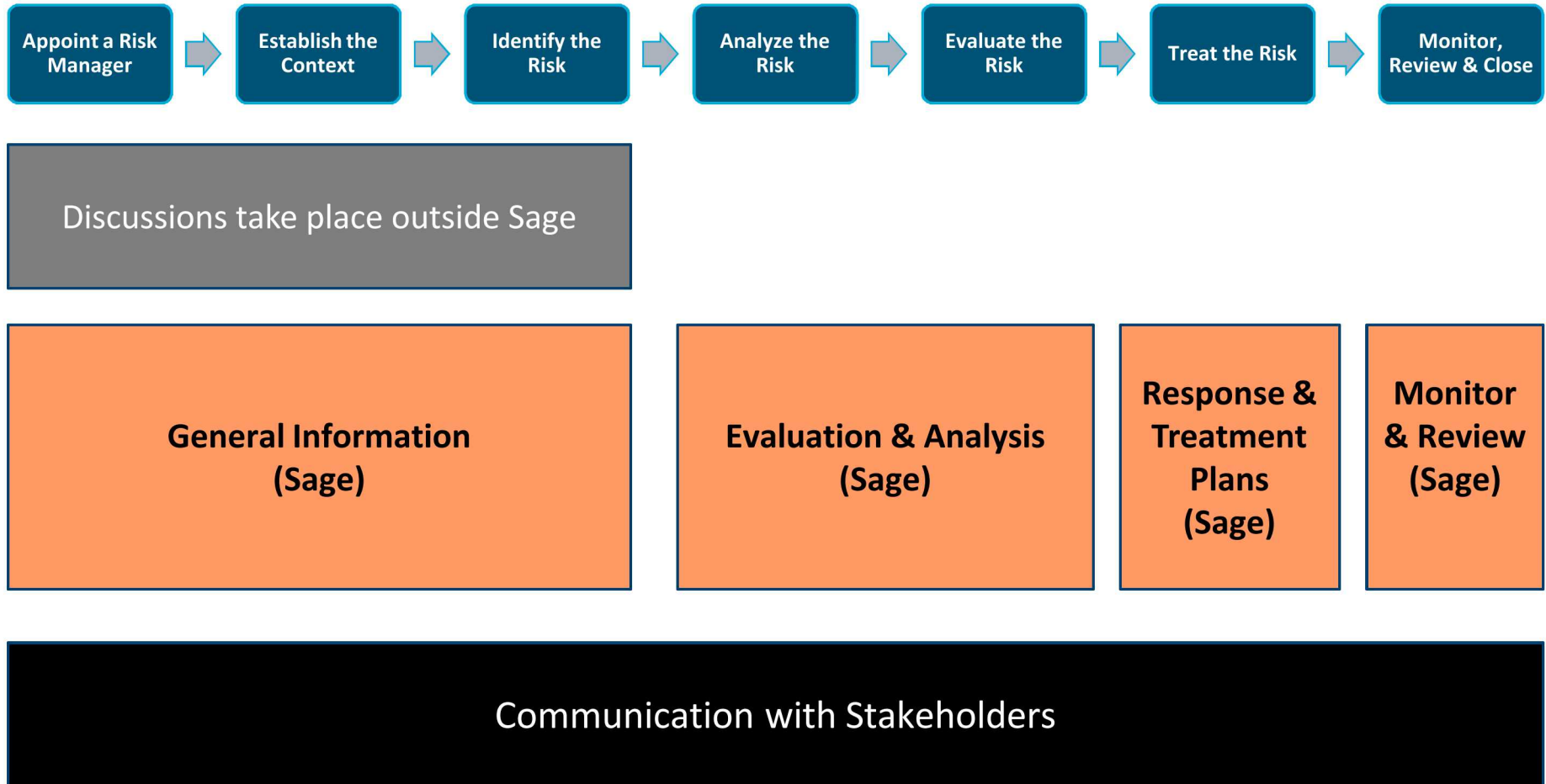
Close a risk *with* monitoring

- Risk level has been reduced to a very low level
- Need to reevaluate the risk if conditions have changed

Close a risk *without* monitoring

- Risk has been eliminated
- Condition no longer exists
- Risk has become an issue

Risk Process Workflow





Risk Demonstration



- New process can now be found in LPS

Please complete the feedback form!

Questions on Risk Process & Tool?

Contact **Nicole Elzy, Risk SME**

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