

Risk Management FUN!



Humor Me

Just A Small Risk...



Agenda



- What is Project Risk Management?
- What is Project Risk?

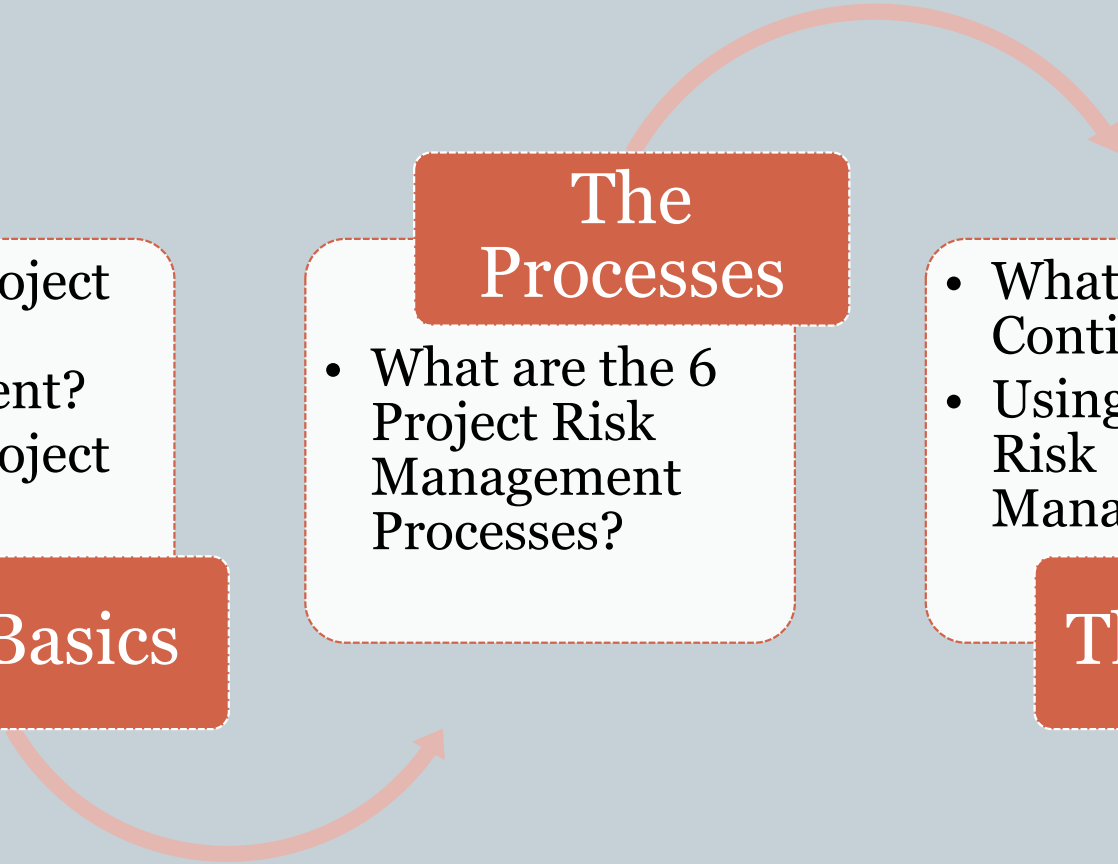
The Basics

- What are the 6 Project Risk Management Processes?

The Processes

- What is Business Continuity?
- Using Project Risk Management

The Results



		Duties, Tasks, and Steps	Knowledge	Skills, Abilities, and Attributes	Tools, Equipment, and Resources
A		Managing Information Risk and Compliance			
	1	Monitor legal and regulatory landscape			
		a Engage with legal department and other stakeholders	<ul style="list-style-type: none"> • Industry regulations • Jurisdictional regulations • Legal defensibility • Legal frameworks • Legal research 	<ul style="list-style-type: none"> • Analytical skills • Project management skills • Research skills • Stakeholder specific communication skills 	<ul style="list-style-type: none"> • Internet • Legal defensibility • Research services • Subscription services
		b Identify and interpret existing applicable laws of all jurisdictions and regulations			
		c Identify resources for current development			
		d Document relevant laws and regulations			
		e Establish regular review process			
	2	Identify internal and external compliance requirements			
		a Investigate industry practices	<ul style="list-style-type: none"> • Benchmarking methods • Business practices • Cultural practices • Industry practices • Regional differences 	<ul style="list-style-type: none"> • Analytical skills • Communication skills • Cultural sensitivity • Networking skills • Project management skills • Research skills • Surveying skills 	<ul style="list-style-type: none"> • Benchmarking tools • Professional associations and industry groups • Research services
		b Review business practices			
		c Collaborate with internal stakeholders			
		d Conduct benchmarking			
	3	Prepare risk profile			
		a Collaborate and consult with stakeholders	<ul style="list-style-type: none"> • Organizational knowledge • Risk analysis methods • Risk management 	<ul style="list-style-type: none"> • Analytical skills • Communication skills • Interviewing skills • Presentation skills • Project management skills • Surveying skills 	<ul style="list-style-type: none"> • Internet • Presentation software
		b Identify management's view of acceptable risks			
		c Evaluate and document risk tolerances			
		d Create risk profile document			
		e Obtain stakeholder signoff			
	4	Conduct a risk assessment			
		a Identify risk assessment methodology	<ul style="list-style-type: none"> • Risk assessment methods • Subject matter knowledge of the business area 	<ul style="list-style-type: none"> • Analytical skills • Business process analysis skills • Communication skills • Interviewing skills 	<ul style="list-style-type: none"> • Risk assessment standards, models and tools • Software
		b Identify stakeholders			
		c Identify and collect resources			
		d Develop interview materials			
		e Interview and collect data			

			Duties, Tasks, and Steps	Knowledge	Skills, Abilities, and Attributes	Tools, Equipment, and Resources	
		f	Analyze and review risk assessment data		<ul style="list-style-type: none"> • Presentation skills • Project management skills 		
		g	Prepare risk assessment report				
		h	Obtain risk assessment report signoff(s)				
	5		Develop risk and compliance metrics				
		a	Define risk mitigation and compliance success	<ul style="list-style-type: none"> • Cost benefit analysis • Measurement methodologies • Organizational knowledge • Statistical analysis 	<ul style="list-style-type: none"> • Analytical skills • Communication skills • Project management skills 	<ul style="list-style-type: none"> • Risk assessment standards, models and tools • Software 	
		b	Identify measurement methodology				
		c	Identify non-compliance triggers				
		d	Conduct ongoing gap analysis				
		e	Document metrics				
		f	Present metrics to stakeholders				
		g	Obtain signoff of metrics				
	6		Create the mitigation plan				
		a	Conduct a cost benefit analysis	<ul style="list-style-type: none"> • Business process management • Cost benefit analysis 	<ul style="list-style-type: none"> • Communication skills • Project management skills 	<ul style="list-style-type: none"> • Risk assessment standards, models and tools • Software 	
		b	Prioritize risks to mitigate				
		c	Develop methodology for mitigation of risks				
		d	Communicate mitigation plan to stakeholders				
		e	Provide implementation assistance				
		f	Monitor implementation of mitigation plan				
	7		Manage the risk mitigation process				
		a	Monitor and update metrics	<ul style="list-style-type: none"> • Business process management • Cost benefit analysis • Insured vs. uninsured risks 	<ul style="list-style-type: none"> • Ability to respond under pressure • Communication skills • Project management skills 	<ul style="list-style-type: none"> • Risk assessment standards, models and tools • Software 	
		b	Respond to anomalies				
		c	Communicate with stakeholders				
		d	Modify risk mitigation program as needed				
	8		Conduct risk and compliance audit				
		a	Develop the audit framework	<ul style="list-style-type: none"> • Audit methodology 	<ul style="list-style-type: none"> • Ability to assess and analyze contract terms with regard to 	<ul style="list-style-type: none"> • Audit standards, models and tools 	
		b	Identify resources for audit				
		c	Assign audit responsibilities				

The Basics



- What is Project Risk Management?
- What is Project Risk?

The Basics

Project Risk Management



- “Project Risk Management includes the processes of conducting risk management planning, identification, analysis, response planning and controlling risk on a project.”
 - Objective #1 = increase the likelihood and impact of positive events
 - Objective #2 = decrease the likelihood and impact of negative events



Project Risk



- “Project risk is an **uncertain** event or condition that, if it occurs, has a **positive** **or** **negative** effect on one or more project objectives such as scope, **schedule, cost** and **quality**.”
 - Positive risks = opportunities
 - Negative risks = threats

Triple Constraint (Iron **Triangle**)



The Processes



- What are the 6 Project Risk Management Processes?

The
Processes

Project Risk Management Processes



- There are 6 processes that, when executed, make up Project Risk Management
 - Plan Risk Management
 - Identify Risks
 - Perform Qualitative Risk Analysis
 - Perform Quantitative Risk Analysis
 - Plan Risk Responses
 - Control Risks

Risk Management Plan

Only one weak link can make the whole chain **VULNERABLE**



Project Risk Management Processes



- **Plan Risk Management**
 - The process of defining **how** to conduct risk management activities for a project.
- **Identify Risks**
 - The process of determining **which risks** may affect the project and documenting their characteristics.
- **Perform Qualitative Risk Analysis**
 - The process of **prioritizing** risks for further analysis or action by assessing and combining their **probability** of occurrence and impact.
- **Perform Quantitative Risk Analysis**
 - The process of **numerically analyzing** the effect of identified risks on the overall project objectives.

Project Risk Management Processes



- Plan Risk Responses

- Negative Risks or Threats
 - ✦ Avoid
 - ✦ Transfer
 - ✦ Mitigate (Reduce)
 - ✦ Accept
- Positive Risks or Opportunities
 - ✦ Exploit
 - ✦ Enhance
 - ✦ Share
 - ✦ Accept



- Control Risks

- Implement risk responses, track risks, monitor residual risks, identify new risks and evaluate risk process effectiveness

The Results



- What is Business Continuity (BC)?
- Using Project Risk Management with BC

The Results

Business Continuity



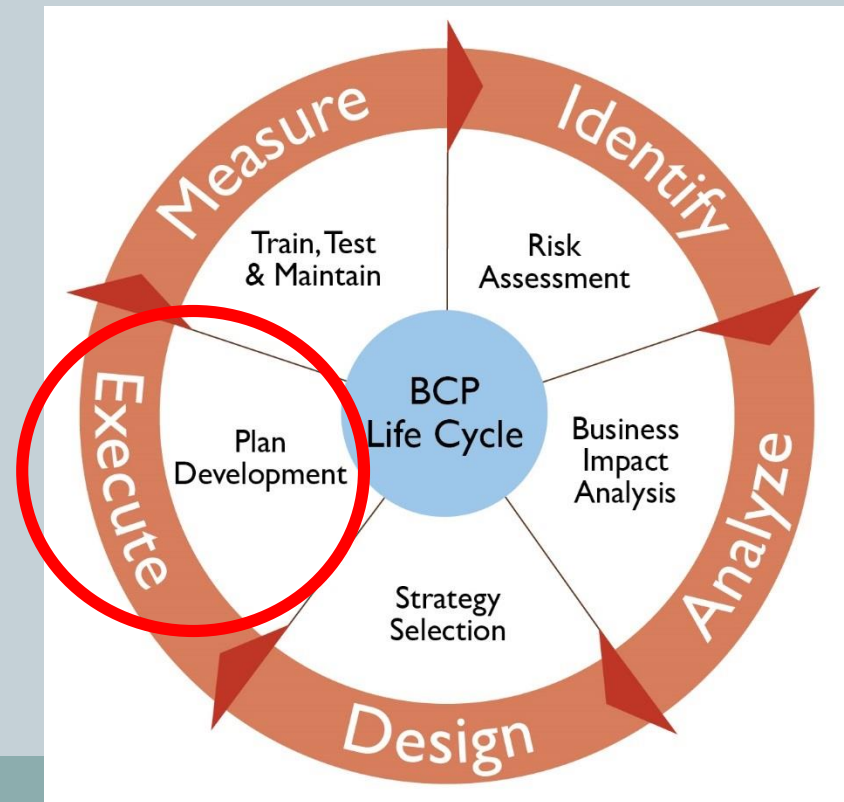
- Business Continuity (BC) is defined as the capability of the organization to continue delivery of products or services at acceptable predefined levels following a disruptive incident. *(Source: ISO 22301:2012)*



Business Continuity



- In this version of the Business Continuity lifecycle, Plan Development is called out separately – giving it 5 versus 4 steps (Source: raymondcoxconsulting.com)



Business Continuity & Project Risk Management



- Identify Risks
 - The process of determining which risks may affect the project and documenting their characteristics.
- Risks Assessment
 - Probability
 - Impacts
 - Risk Ranking & Scores
 - Risk Urgency
 - Risk Categorization

Business Continuity & Project Risk Management



Risk Register

Source: Gary E. Didio, Ernst & Young

Resources



- Project Management Institute
 - <http://www.pmi.org/>
 - PMI Risk Management Professional (PMI-RMP)®
- The Risk Doctor
 - <http://www.risk-doctor.com/>
- Business Continuity Institute
 - <http://www.thebci.org/>
- Institute of Risk Management
 - <https://www.theirm.org/>

Questions?



Thank you, ARMA Golden Gate!



Thank You!



Thanks!



THANK YOU!

THANK YOU

