



It's A Risky Business

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Agenda

- Introduction
- Plagiarism
- General Risk Review
- Risk Management Plan
- Taxonomy of Risk Identification



Plagiarism

- PMBOK - 2004
- SEI – Carnegie Mellon University 1993
- Project Management Institute (4PM.com)
- Lots of unrecalled influence and resources

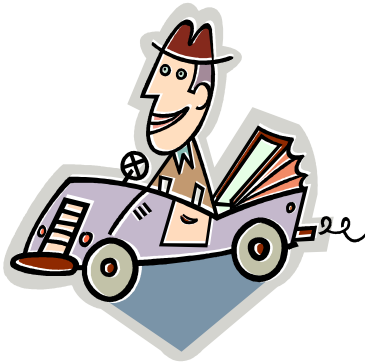
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- **For Sale** - Perfect older home for that handyman in you. Hilltop location with majestic valley views, Private location, Built in security features, Large open floor plan with room to expand, Air conditioned year around, Sale Price recently reduces, Call today for this unique opportunity.

Reality



Risk in Everything we do

We are a cognitive risk based species





- **Without Risk there is no reward**
- **The greater the Risk, the greater the Reward**
- **Risk is Iterative** - Characterized by or involving repetition, recurrence, reiteration, or repetitiousness.

3 – Categories of Risk

- Known Risks
 - One or more people are aware of them
- Unknown Risks
 - Those that will surface given the right opportunity, cues, and information
- Unknowable Risks
 - Those that none can foresee

Question ? What can you do with Risks Identified

- **Accept** – *Address / Plan for risk event if and when it occurs*
- **Mitigate** – *Reduce the probability or impact of an event*
- **Transfer** – *Reduce risk by transferring task / function to another source*
- **Avoid** – *Make changes / plan around to eliminate the risk*



Risk Management Plan - IDENTIFY

- Brainstorming
- Solicitation
- Subject Matter Experts
- History

Risk Management plan - Analyze

- Qualitative and Quantitative

- ***Team assessment for probability of occurrence and impact. Categorize and rank risks to target those posing the greatest threat.***

The usage of statistical data to estimate the probability, to evaluate alternative methods to address risks, and/or to assist in decision making.

Risk Management Plan - Prioritize

Risk Probability Ranking	
Ranking	Probability of Risk Event
5	Very High
4	High
3	Probable
2	Low
1	Unlikely

Risk Management Plan - Prioritize

Evaluating Impact of a Risk on Major Project Objectives

Impact		1 = Low	2 = Minor	4 = Moderate	8 = Major	12 = Severe
O b j e c t i v e	Time	Insignificant schedule slippage	Schedule slippage < 5%	Overall schedule slippage 5 – 10%	Overall schedule slippage 10 – 20%	Overall schedule slippage > 20%
	Cost	Insignificant cost slippage	Cost slippage < 5%	Overall cost slippage 5 – 10%	Overall cost slippage 10 – 20%	Overall cost slippage > 20%
	Scope	Scope decrease barely noticeable	Minor areas of scope are affected	Major areas of scope are affected	Scope reduction unacceptable to project sponsor	End product does not meet purpose or need
	Quality	Quality degradation is barely noticeable	Only very demanding applications are affected	Quality reduction requires approval from project sponsor	Quality reduction unacceptable to project sponsor	End product is effectively unusable

Risk Management Plan - Prioritize

Translate Score to Risk Rank		Time, Cost, Scope, and Quality Objectives Aversion to High and Very High Risk Impacts					
Score		Risk					
1 – 6	Low	5	5	10	20	40	60
7 – 14	Moderate	4	4	8	16	32	48
15 - ++	High	3	3	6	12	24	36
		2	2	4	8	16	24
		1	1	2	4	8	12
			1	2	4	8	12
			Impact				

Reality

- **Host Connectivity 3rd party**

Risk : 5

Impact : Inability to talk to other 3rd party vendors (we have same issues/risk with all OS upgrades)

Mitigation : create new front end NCP

Recovery : Fix problem

- **Common Storage Shortage**

Risk : 4

Impact : System crash would require IPL

Mitigation : Pre-tested as much as possible – requires full production load (users) placed on system to fully validate. All storage areas are over allocated based on history

Recovery : Raise storage space as necessary and re-IPL.

Better version of Reality

IBM MVS Z/os operating system installation

Risk: High

Background

The Z/os operating system replaces the current OS390 environment which will go non-supported by IBM in September 2004. The new operating system changes the basic structure and operating capabilities of in such areas as addressing ranges, cpu processing capabilities and the creation of multiple identical operating environments (cloned LPARS). These fundamental changes allow continued growth and capabilities for the future.

Risk Factors

- **Enterprise outage for approximately 12-14+ hours will be required.**
- **Program's currently used to support recording, processing, and operations will not function correctly.**
- **Inexperience with operating system and setup will lengthen support diagnostics.**

Risk Factor Mitigation

- **Provide lengthy parallel testing period.**
- **Define problem determination procedures**
- **Define maintenance upgrade process and procedures**
- **IBM contracted assistance for installation and post conversion**
- **Establish backup / back out action plans**
- **Formal and informal training prior to installation**

My Theory

- The hardest part of Risk Planning is **Risk Identification**
 - We tend to focus on the Known risks – think inside the box
 - We tend to focus on specific project areas not overall project risk – cost / technology / schedule
 - No one really likes to do Risk Identification – Its not easy, hundreds of articles on processes to assist us

The Hardest Part of Risk Identification is finding the “**UNKOWN RISKS**”

- **Those that will surface given the right opportunity, cues, and information**

I needed a tool to bring the unknown risks to the surface.

' Think out of the box'



Taxonomy of Risk Identification

- Project risks are contained in three classes
 - Project startup
 - Project development / Execution
 - Project constraints



Taxonomy of Risk Identification

- Each class contains specific project elements
 - Ex: Request system, scope statement, project manager, requirements, vendors, experience, etc....

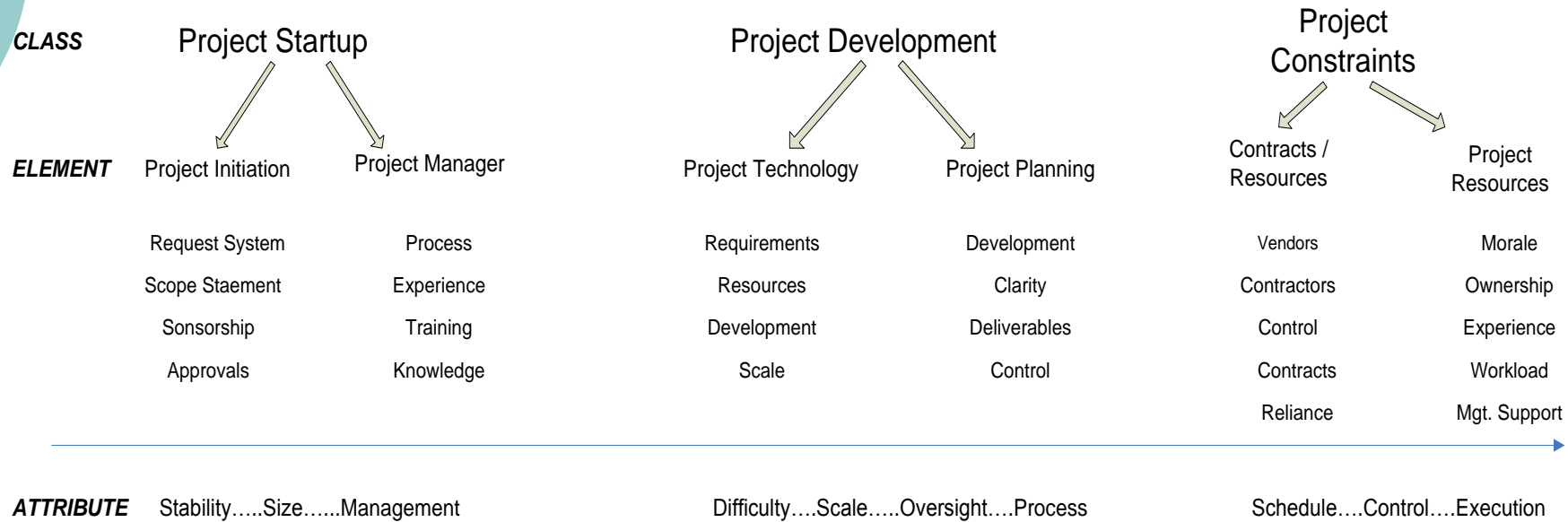


Taxonomy of Risk Identification

- Each element contains specific attributes for project success
 - Stability, size, management, scale, oversight, process, schedule, execution

Taxonomy of Risk Identification

Project Risk Development





The Tool

'Ta Da'