



## Real World Risk Analysis: Transforming the BABOK's Risk Analysis Technique into Reality

Presented By:  
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ACC, PMP, CBAP, PMI-RMP

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### Dayle Beyer

President, Inspire Excellence



Dayle Beyer speaks, trains and coaches in the areas of project management, business analysis and leadership and is certified Project Management Professional (PMP), Certified Business Analyst Professional (CBAP), Risk Management Professional (RMP) and Certified Coach (ACC).

Dayle is passionate about Project Management and Business Analysis because she was born to be a catalyst and change agent. Her mind's eye quite naturally sees the forest AND the trees. She constantly seeks bigger and bolder ways to inform and inspire individuals, teams and organizations to create sustainable success in their world. As a success coach, Dayle positively accelerates individual and organizational growth by co-actively deepening the learning and forwarding the action.

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### What Is Risk?




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### Organizations Don't Want to Think They Have Risks!



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### Most Concerning Strategic Risks

1. Talent retention/acquisition
2. Corporate/Brand Recognition
3. New Regulations
4. Electronic Data/Communication Risks
5. Information Security (cyber threats)



Source: Harvard Business Review, Analytic Services and Zurich Financial Service survey

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Why

### Strong Risk-Aware Culture Benefits

- ▶ Expand business or product areas
- ▶ Go global into more world markets
- ▶ Expand supply chain
- ▶ Grow by corporate acquisition



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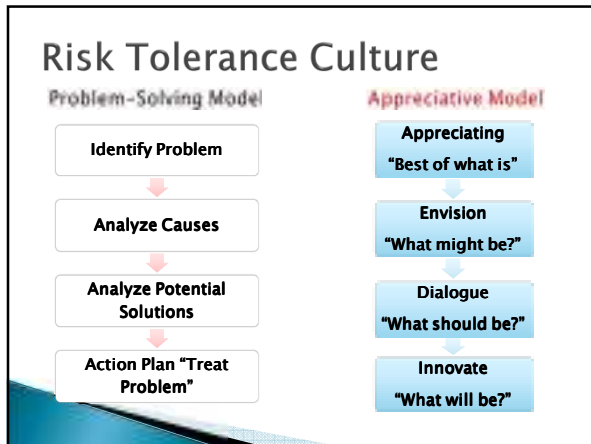
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- ### 5 Tips For Accelerating Risk Awareness
1. Create a Business Case for every solution
  2. Look for more opportunities than threats
  3. KISS – Keep It Simple Silly
  4. Measure the "As Is" and "To Be" culture
  5. Do more than identify; Manage risks proactively

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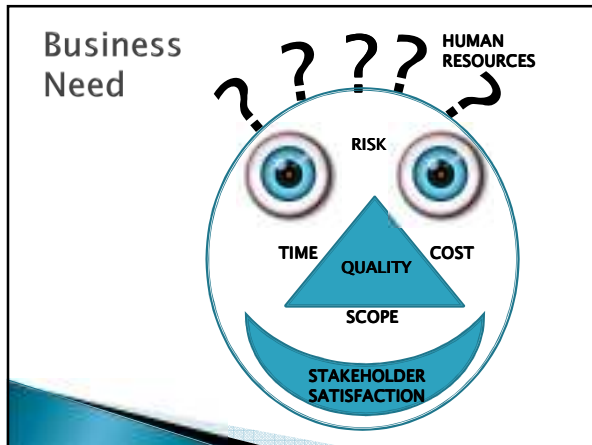
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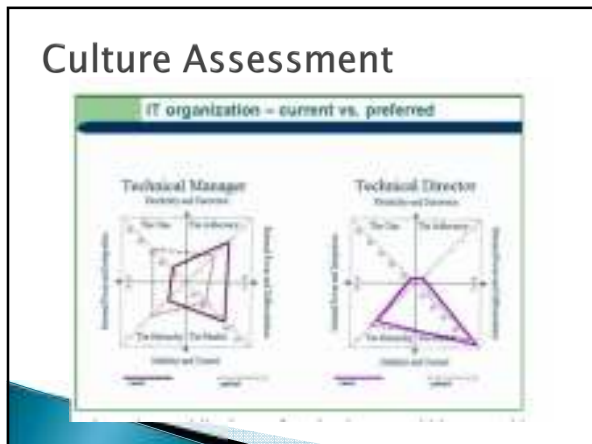
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### Are These Risks?

- ▶ We do not have enough people.
- ▶ We do not have enough time.
- ▶ Upper management does not support the project

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### No! These Are Just Poor Management

- ▶ Issues of lack of support or lack of resources **MUST** be dealt with before the project starts.

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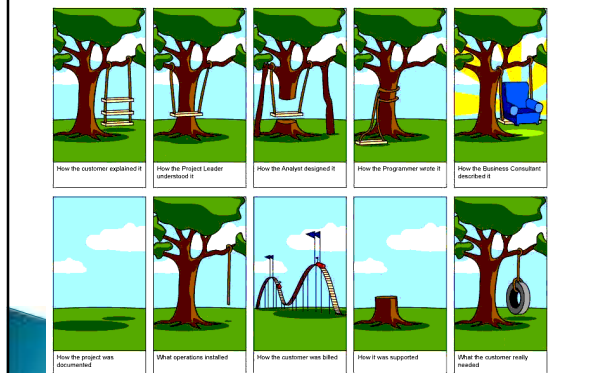
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### Is "Poor Communication" a Risk?



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**2. Identify**

### Well Formed Risk Statement

Cause	Risk	Impact
<i>Due to/As a result of ... (Definitive cause)</i>	<i>May result ... (Uncertain event)</i>	<i>Which could lead to...</i>
Due to poor elicitation of customers' requirements	the installation of the e-commerce system will have significant customer satisfaction issues	which could result in a 20% increase in bounce rate

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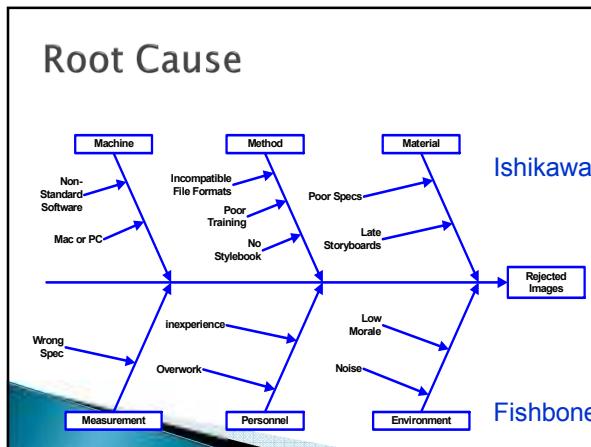
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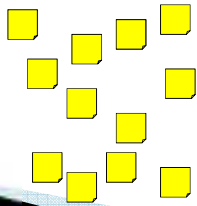
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### Identify Risk Exercise

Instructions:

- ▶ Brainstorm on post-its as many risks as you can for your health.



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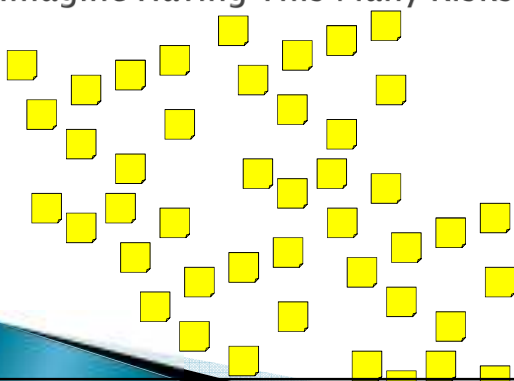
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### Imagine Having This Many Risks



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3-4.  
Analyze  
&  
Prioritize

### Analyze & Prioritize Risks

- ▶ **Risk Qualification**
  - Assign probability and impact subjectively
- ▶ **Risk Quantification**
  - Assign probability and impact numerically

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### Probability



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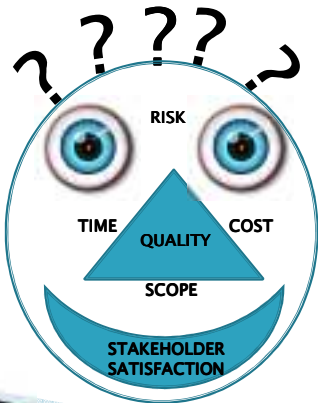
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### Impact



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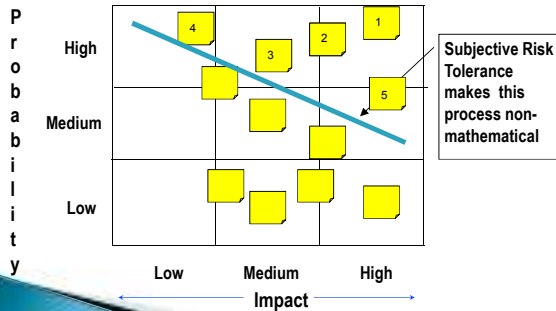
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### Simple Prioritization Matrix



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**5. What to do**

### Risk Response Strategies for Threats

- ▶ Avoidance
- ▶ Mitigation
- ▶ Transference
- ▶ Acceptance

Done in Initiating & Planning, before risk happens

Workarounds Done in Executing after issues happen



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### Risk Response Strategies for Opportunities

- ▶ **Exploit**
  - Look for positive impacts
- ▶ **Share**
  - Similar to transfer
- ▶ **Enhance**
  - Track and look for root cause
  - Enhance triggers
- ▶ **Acceptance**
  - Passive: take no action
  - Active: contingency reserves



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### No Magic Bullet



- ❑ Decreases fear of change
- ❑ Prevents problems
- ❑ Increases success of product acceptance

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**6. Manage**

## Contracts

- ▶ Contracts are risk mitigation tools and require the BA's risk input in order to make the contracts appropriate for the solution.



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## Measure Performance



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- ▶ Founded in 1969
- ▶ Globally-recognized standards
- ▶ ANSI/ISO/IEC 17024 accredited
- ▶ Over 600,000 members and credential holders
- ▶ In 185 countries

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## Role Delineation Study

- ▶ Assesses and identifies project risk
- ▶ Mitigates threats & capitalizes on opportunities
- ▶ Communicates risks to project team




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## Practical Risk Management & RMP Exam Preparation

- ▶ 170 multiple-choice questions
- ▶ 3.5 hours

Domain	% of Questions
Risk Communication	27%
Risk Analysis	30%
Risk Response Planning	26%
Risk Governance	17%
Total	100%

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## Sample Question

- ▶ **During a risk identification brainstorming session with stakeholders, it is important to:**
- A. Keep a list of all risks identified.
  - B. Use forms for participants to fill out.
  - C. Allow those who talk a lot time to respond.
  - D. Not evaluate risks as they are being identified.

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**Questions?**



**Dayle Beyer, PMP, PMI-RMP, CBAP, ACC**

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