Managing Risk

1. Building A Plan
2. Executing on the Plan
Typical Approach

- Solve the easiest items first
  
  "BIG Mistake"

- Risky tasks are often on the critical path
- If you don’t solve the tough things "Who cares about the easy ones?"
- The project is in a growing risk situation
A Good Plan Provides Focus

- Brings attention to management / clients
- Sets expectations
- May effect allocation of resources
- May stop risky projects earlier
A Good Plan Provides Focus

• Prioritizes
• Sets clear responsibility
• Establishes a timeline for decisions
Exercise

- Brainstorm
- Rank
- Chart
- Establish Plan
- Review Often
Brainstorming Risks

Break into Design Teams
Take the next 5 minutes

Brainstorm Areas of Concern / Risk

Come up with 8 Topics
Brainstorming Risks

- Quantity over Quality
- Write down as expressed
  - No judging
  - Don’t solve the problem now
- Build on others ideas
Brainstorming Risks

• Cover all aspects of the projects
  – Technical Risks
  – Business / Market Risk
  – Manufacturing
  – Human Resources
  – Supply Chain
Ranking the Risk Items

Probability

• % chance the issue
  – Has a poor solution or
  – Can not be solved in this project

Level of Risk

• Scale of 1 – 10
  – Impacts (Schedule, Cost, Functionality)

Battery Life 60%, 7
Establish Threshold Line

- 20%  
- 40%  
- 60%  
- 80%  
- 100%  

Amount of Risk

- A
- B
- C
- D
- E
- F
- G
- H

Probability

20%  40%  60%  80%  100%
Who and When

For Each Risk Over Threshold

• Decide Who is leading the efforts?
• What are the immediate action items?
• Schedule each task
Other Key Points

• Assume Risk only where it provides advantage
• Stay flexible on unresolved issues
• Trade off expense and risk
• Have a back up plan