



Program Risk Management for Enterprise Portfolio Management PMI Knowledge Exchange Forum

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Program Risk Management Concept

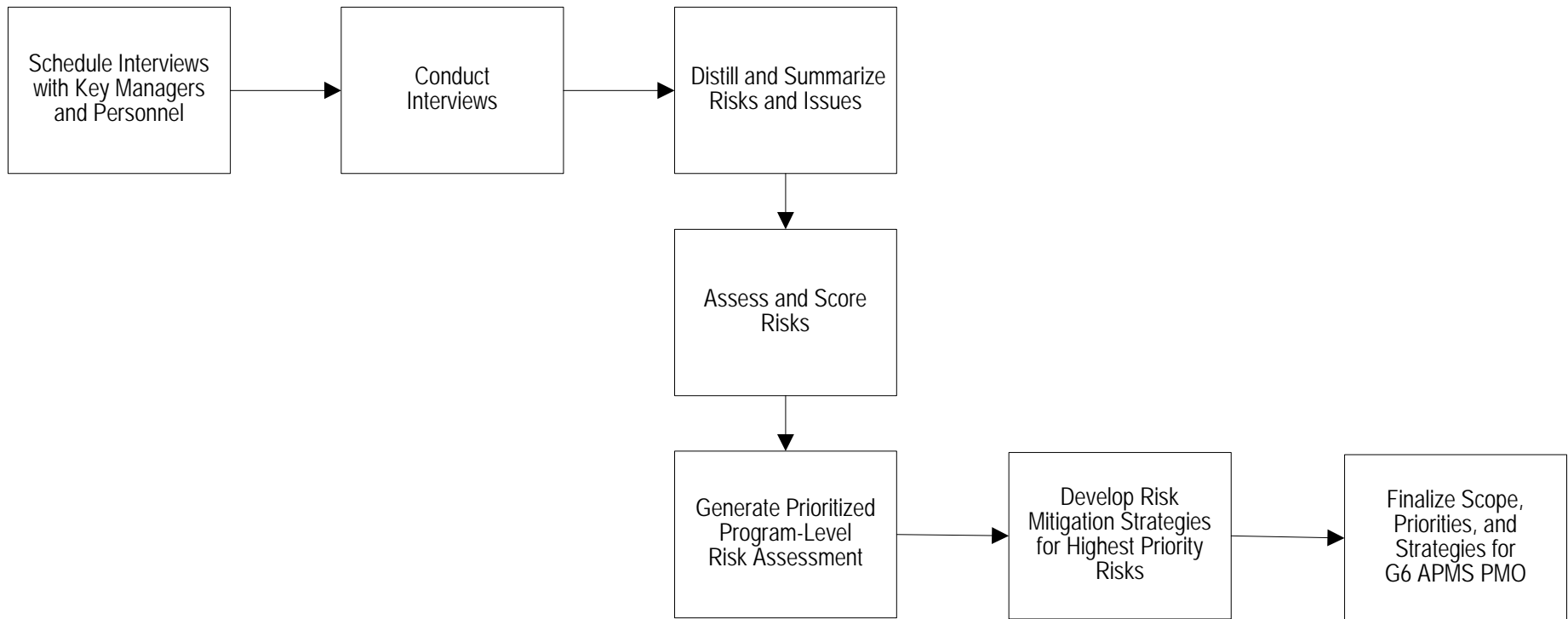


- Manage Risks at the Program-Level
 - Program Management is really about Risk Management
 - Develop mitigation strategies to address the highest priority risks....which helps define the scope, priorities, and strategies of the PMO
- Risks are documented in the form of a Program-Level Risk Assessment
 - **Score** risks based on Risk Exposure (Impact x Probability)
 - **Rank** and prioritize risks based on need for action
 - **Communicate** risk assessment to help agree Program/PMO priorities and resources and to elicit Mitigation Strategies

Program Risk Assessment - Process



Program Risk Assessment as input to PMO Planning Process Flow Diagram



Risk Management Instead of Crisis Management



<u>Risk Management</u>		<u>Crisis Management</u>
Proactive	vs.	Reactive
Strategic	vs.	Operational
Pay Now	vs.	Pay More Later
Budgeted	vs.	Budget Buster
Develop Opportunities	vs.	React to Crisis
In Control	vs.	Chaotic

What is Risk Management?



- Risk Management
 - Identification of **risk**
 - Evaluation of **risk**
 - Planned control of **risk**
 - Mitigation of **risk**
 - Monitoring of **risk**



- **Risk cannot always be avoided!**
- **Risk can and must be managed!**

Potential Risk Areas



APMS Program Risk Assessment (slide 1 of 2)



US Army CIO/G6 APMS Program Office

<i>Program Risk Assessment Summary Report</i>						Status as of:		6/5/06	
						Previous Update:		3/1/06	
Log Number	Risk Title	Status <i>(Logged, Assessed, Mitigating, Closed)</i>	CIO/G6 SME/Mgr	Risk Owner	Current Risk Exposure				
					Consequence (H/M/L)	Probability (H/M/L)	Risk Exposure (1-9)	Risk Exposure (R/Y/G)	Trend
6	Incompleteness and Inaccuracy of Data	Mitigating			H	H	1	R	Same
11	APMS Performance and Usability Degradation as APMS Evolves	Mitigating			H	H	1	R	Same
1	Inadequate Management of Upper Management Expectations	Mitigating			H	M	2	R	Same
2	Ineffective Training Rollout	Mitigating			H	M	2	R	Same
16	Inadequate User time and resources budgeted for Army IT Portfolio Governance	Mitigating			H	M	2	R	Same
3	Ineffective Training Reinforcement and Sustainability	Mitigating			M	M	4	Y	Same
4	Not Keeping APMS in Pace with Evolving Portfolio Management Requirements	Mitigating			M	M	4	Y	Same
7	Inability to Adequately Address the Classified IT Investments	Mitigating			M	M	4	Y	Same
12	Unsuccessful Design, Implementation, and Usage of Financial Portion of APMS Solution	Mitigating			M	M	4	Y	Same
14	Lack of EA Integration with APMS	Mitigating			M	M	4	Y	Same
15	CIO-driven View of how IT investments should be Managed not Matching well to the Domain-driven View.	Mitigating			M	M	4	Y	Same
17	Unplanned Turnover of Key Personnel	Mitigating			M	M	4	Y	Same

APMS Program Risk Assessment (slide 2 of 2)



Log Number	Risk Title:	Inadequate User time and resources budgeted for Army IT Portfolio Governance and APMS Activities			Risk Owner:	
16					Associated G6 SME/Mgr	
Logged By	Log Date	Current Risk Exposure			Status:	Mitigating
	2/10/2006	Consequence	Probability	Risk Exposure (R/Y/G)	Logged, Assessed, Mitigating, Closed, or Cancelled	
Last Update:	6/5/2006	H	M	R (Consequence x Probability)		
Risk Management Worksheet						
<i>Risk Statement</i>						
If inadequate time and resources are budgeted and/or otherwise available for MAs, Domains, and MACOMs to be successful with the 5JAN06 Army IT Portfolio Governance Implementing Guidance, then available time and resources for participation in APMS activities will be stretched thin as well.						
<i>Risk Analysis</i>						
The impact of inadequate User time and resources for MAs, Domains, and MACOMs to be successful with IT Portfolio Governance, and with APMS activities, may be: 1. Scarcity of available time and resources for MAs/Domains/MACOMs to participate in APMS activities such as: a) User-Led Working Groups; b) Requirements Definition and documentation of System Change Requests; c) Design Review and Acceptance Testing of APMS Enhancements; d) Completion and Validation of Data Calls; e) APMS Program Governance. 2. If the time and effort is not invested for proper IT Portfolio Governance, including taking advantage of APMS capabilities, then: a) the Army will expend its IT investments unwisely; b) the Army will not be able to respond successfully to external reporting requirements from oversight bodies.						
Risk Action (Mitigation) Planning (RAP)						
Level 1:						
1. Focus on time-saving factors for the APMS user community: a) Clearness and timeliness of Instructions; b) Sharing of time-saving templates and best practices; c) Additional support resources (Help Desk, well-trained System Administrators); d) Training Reinforcement (see Risk #3).						
2. Survey User Community to further assess the extent of the risk; continue to follow-up.						
Level 2:						
1. Develop standard metrics for expected APMS user activities: a) Estimate, or facilitate the estimate, of each org's expected participation in APMS activities; b) Gain clear commitment from orgs and individuals for expected participation; c) Track rough Actuals versus Estimates/Commitments.						
2. Position Descriptions for key common roles						
3. Examine and adjust timing cycles of APMS user activities versus other key activities taking place in the user community; seek to standardize routines.						
Comments:						



Program Risk Assessment - Outcomes

- Risks are documented in the form of a program-level Risk Assessment
 - Risks are scored and prioritized by Risk Exposure
 - Risk Assessment Report is generated and briefed
- Mitigation strategies are developed for the highest priority risks
- Strategies, ideas, and approaches are generated for input to the PMO Operations Plan:
 - To minimize risks
 - To monitor and facilitate the program's success
 - To help agree PMO/Project priorities and resources