

Practical Steps to Risk Maturity



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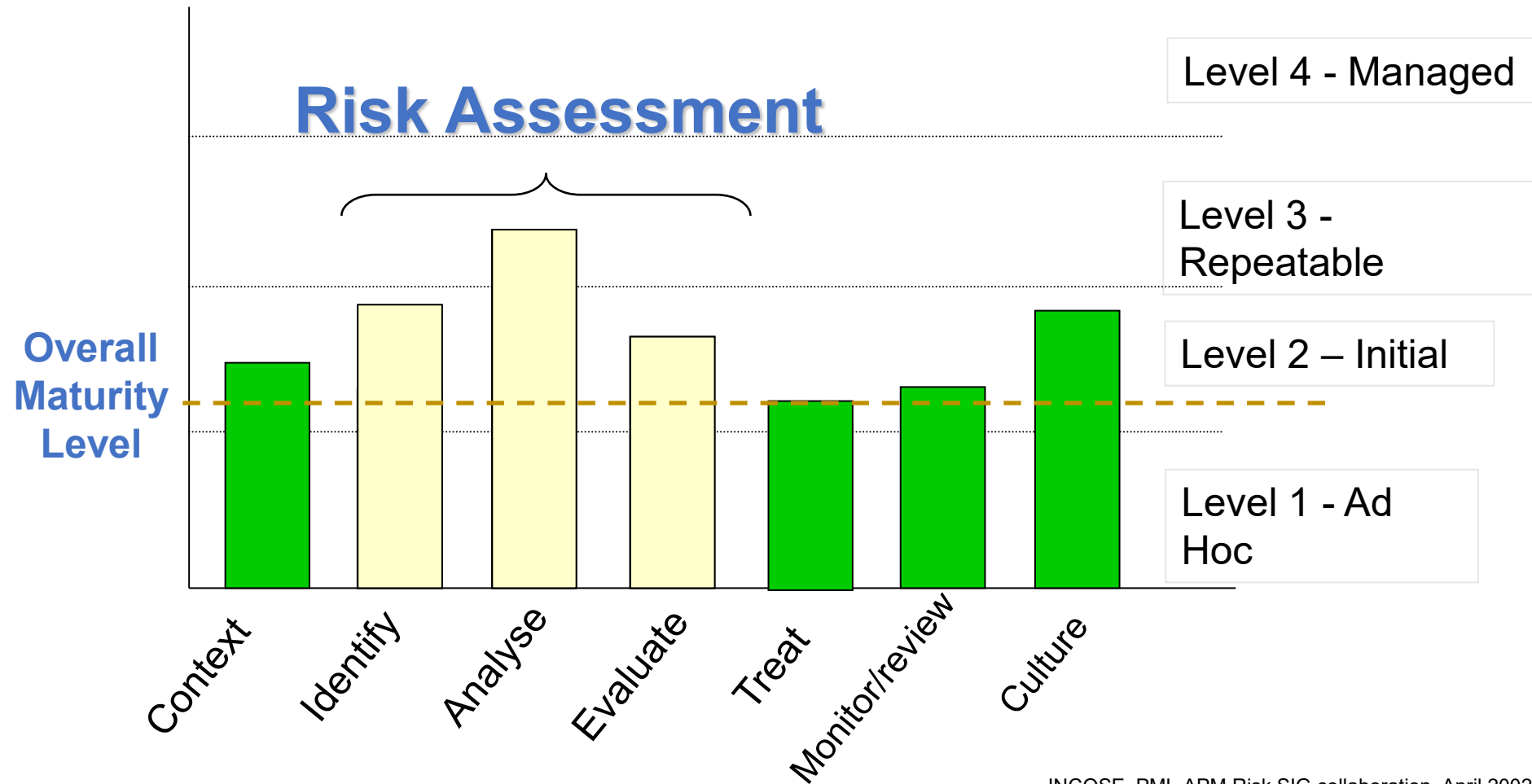
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Agenda

- What is risk maturity
- Why is it important
- How can Predict! help?
- Q&A

Risk Maturity Scoring



INCOSE, PMI, APM Risk SIG collaboration, April 2002
'Risk Management Maturity Level Development'

Level 1 – Ad Hoc

Unaware of the need or benefit
of risk management,

no structured approach to dealing
with uncertainty,

a

leading to a series of crises
for the project or operation ...

...success depends on the competence and
heroics of individuals

Level 2 – Initial

Some awareness of the benefits,

the team is experimenting with the
application of risk management,

usually through a
small number of individuals,

but no formal or structured process
in place

Level 3 – Repeatable

The benefits are widely understood

and risk management
has been implemented as part
of routine project processes,
engaging all stakeholders;

however, its application may
be inconsistent

Level 4 – Managed

A risk aware culture enables a proactive,
structured and consistent approach
to risk management

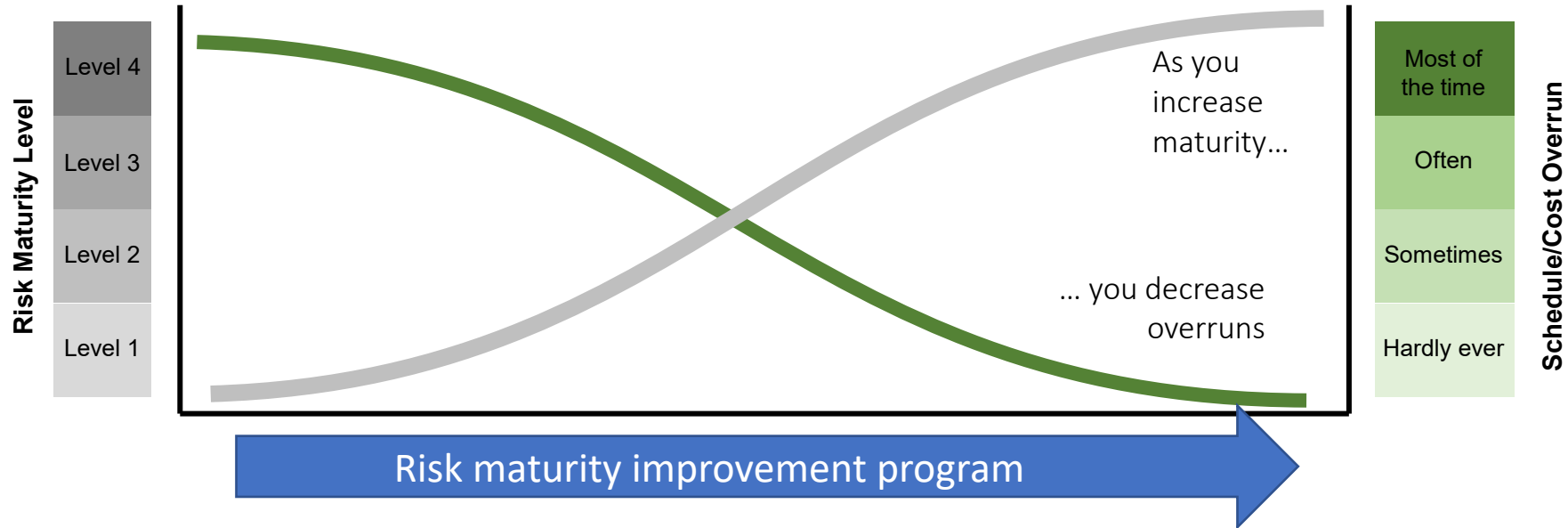
across all areas of the business/project,

with clear roles and responsibilities

and established links to other
complementary processes

QRMM in Application - Example

QinetiQ



Naïve (Level 1)

- Risk process flawed
- No real value-add

Novice (Level 2)

- Risk process influencing decisions
- Risk process adding value
- Improving performance against objectives
- Some process/implementation weaknesses
- Potential for significant unrealised benefits

Normalised (Level 3)

- Risk process formalised
- Process implemented systematically
- Effective risk responses executed
- Sources of uncertainty under control
- Significant value-add

Natural (Level 4)

- Risk process informing strategic choices
- Sources of uncertainty managed systematically
- Risk culture conducive to maximising outcomes

Risk Engagement

- Risk Managers DON'T manage risks.
- Risk and action owners manage them.
- How do we engage risk and action owners?
 - Make it easy
 - Tell me what I need to do
 - Make it easy.