Challenges and Future Work

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Challenge 1 - Capturing Accurate Risk Statements

JPL/Aerospace Team member experience

- Inaccurate risk statements can cause extra work
  - Clarifications and disagreements
  - "Evolving" risk statements
  - Ineffective actions taken before "finding" the effective actions
- Accurate risk statements maximize the number of alternatives for the program
  - Results in more options considered in the decision-making process
  - Less likely to miss something relevant
Challenge 2- Integrating Risk and Program Management

- **Lack of integration can result in:**
  - Risk management becoming an “off line” function within a program, separate from normal program management decisions and actions
    - No avenue to impact program decisions
    - No need for program management to formally look beyond the current planning horizon
  - Abandonment of RM part way through a program
Challenge 2- Integrating Risk and Program Management

• Integration can be based on common attributes
  - RM and PM both derive their value from the resulting decisions
    • PM- day to day
    • RM- future focused
  - RM and PM both result in using resources wisely
Examples of Risk and Program Management Integration

Assess threats (soft liens*) against management reserve as an indicator of overall program risk
- Develop the weighted threat to reserves
  - Sum over all risks at time (t)- risk probability multiplied by risk consequence ($)
- Compare management reserve and weighted threat
- The difference is a qualitative assessment of the risk imposed to meet the planned budget

*Soft liens are those potential costs that have not yet been committed and have not been removed from reserves
**Hard liens are those costs which have been committed and have been frozen or removed from the reserves
Examples of Risk and Program Management Integration

Set aside program management reserves (hard liens**) to address a specific risk
- Determine the additional cost to the program if the risk is realized
- Formally decide to set aside all, part, or none of the funds requested from the management reserve should the risk be realized

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Future Team Efforts

- Continue regular collaboration
- Collect and analyze the risk stories to identify the “gold”
- Refine or clarify terminology
- Continue evaluation of risk management for areas of commonality and individuality
- Individually apply our collaboration knowledge to “real” work, share the results
- Continue to solicit the outside environment for needs and issues with risk management

Feedback Welcome
If you are interested in participating, please let us know.

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Future Team Efforts

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