

ANATOMY OF A RISK

ID	Title	Risk Category	Date Raised	Raised By	Risk Description	Risk Response	Effect Pre Mitigation Assessment					Justification for assessment
							Probability	Impact	Unfactored Cost	Factored Cost	Proximity	
R01	Volcanic eruption in Gloucestershire	Disruptive Events	26 Nov 2013	Stefan	As a result of seismic activity, there is a risk of volcanic eruptions in Gloucestershire may occur, which would lead to total destruction of the company	Avoid	Low (10%)	High (100%)	£1,000,000	10% of £1,000,000 = £100,000	2113	Unlikely to happen but if does it would be disastrous for the company

Example Categories:
Strategic, Operational, Financial, People, Technical, Regulatory, Governance

Cause, Risk, Effect

(Threat)/(Opportunity)
 Avoid/Exploit - Remove the uncertainty
 Reduce/Enhance - Make the probability higher
 Transfer - Move the risk to a third party (e.g. insurance)
 Share - Share the risk with other parties (pain/gain sharing)
 Accept - Take the chance of the risk happening
 Prepare Contingent plans - Plan for the worse

Likely Cost before probability

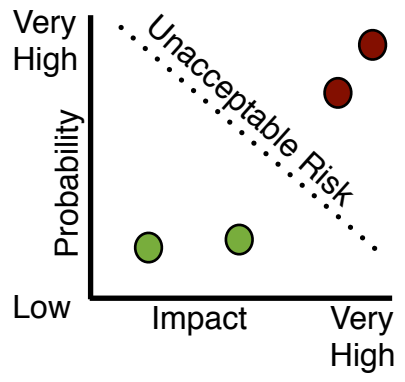
Cost adjusted by probability

PRINCE2 definition of a risk:
 "an uncertain event or set of events that, should it occur, would have an effect on the achievement of objectives"

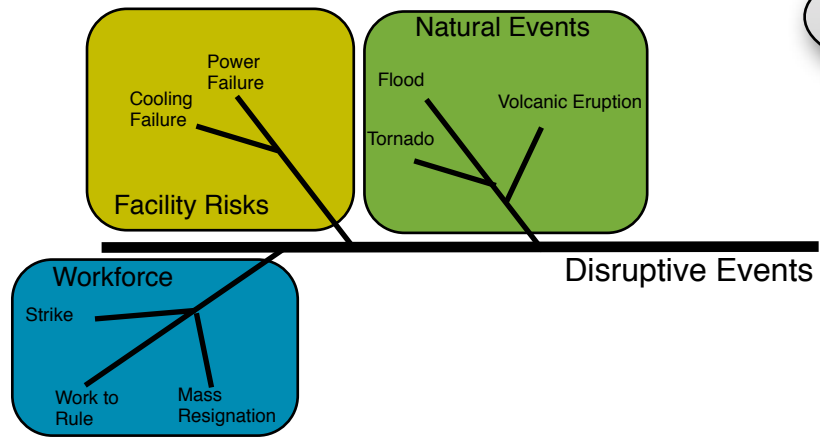
Risk Register similar to one advocated by PRINCE2 and M_o_R

Residual Effect Assessment (post mitigation)				Risk reduction measures	Contingency Plan	Secondary Risks	Risk Status	Risk Owner	Risk Actionee
Probability	Impact	Expected Value	Proximity						
1%	High (100%)	1% of £1,000,000 = £10,000	2113	Investigate new offices new Bristol	Get in car and drive like the clappers	Bristol may be prone to tidal waves (see risk R02)	Active	Stefan	Stefan

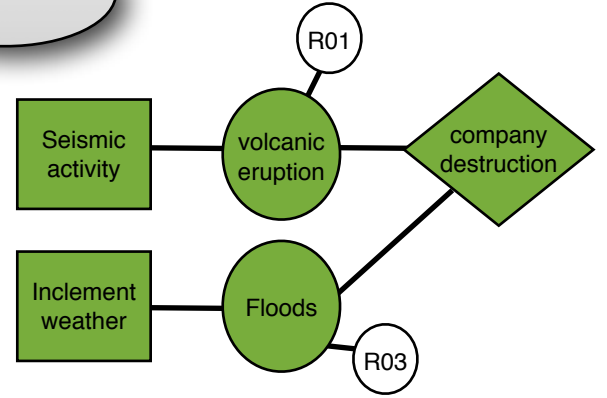
Active, Closed



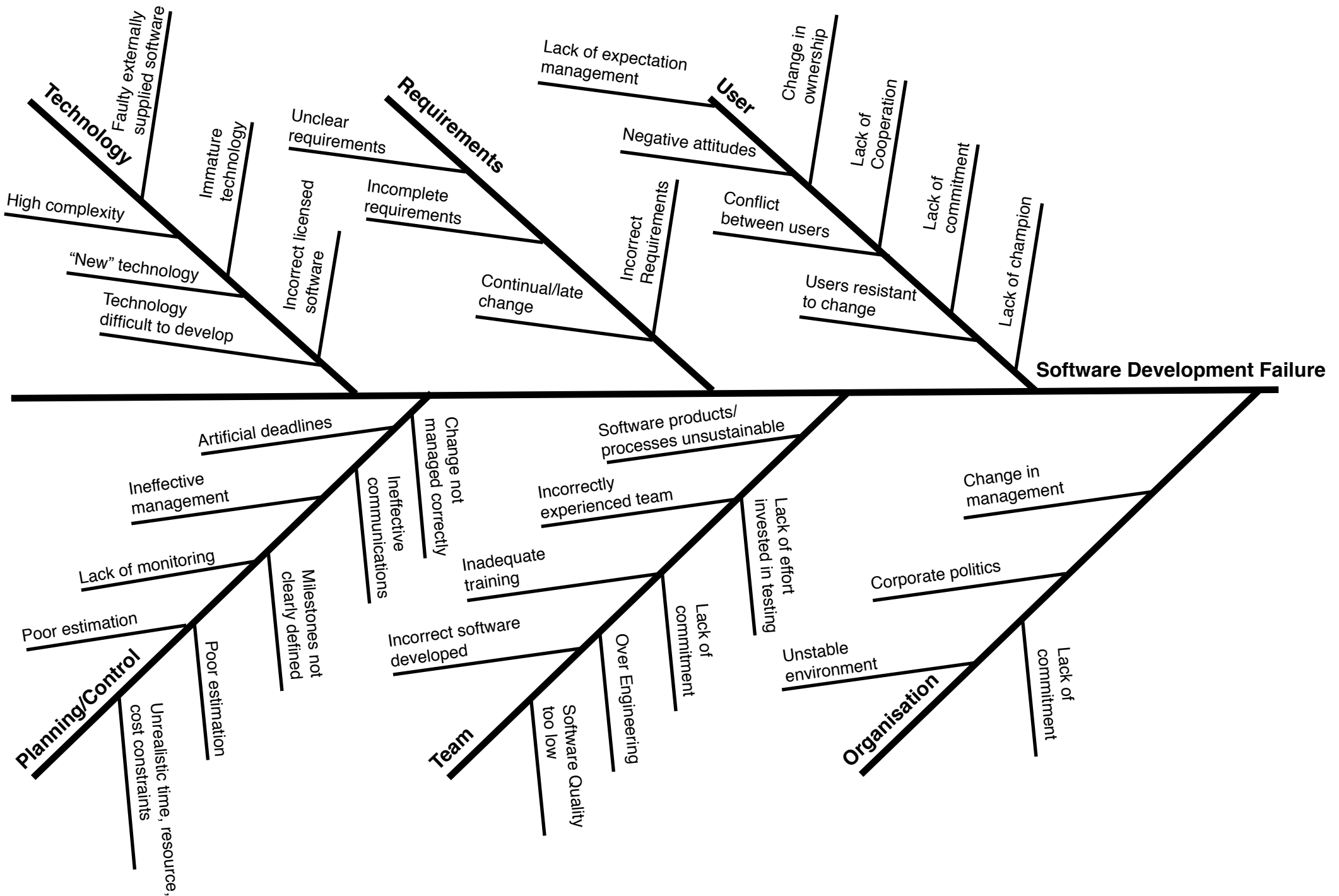
Summary Risk Profile



Cause and Effect diagram



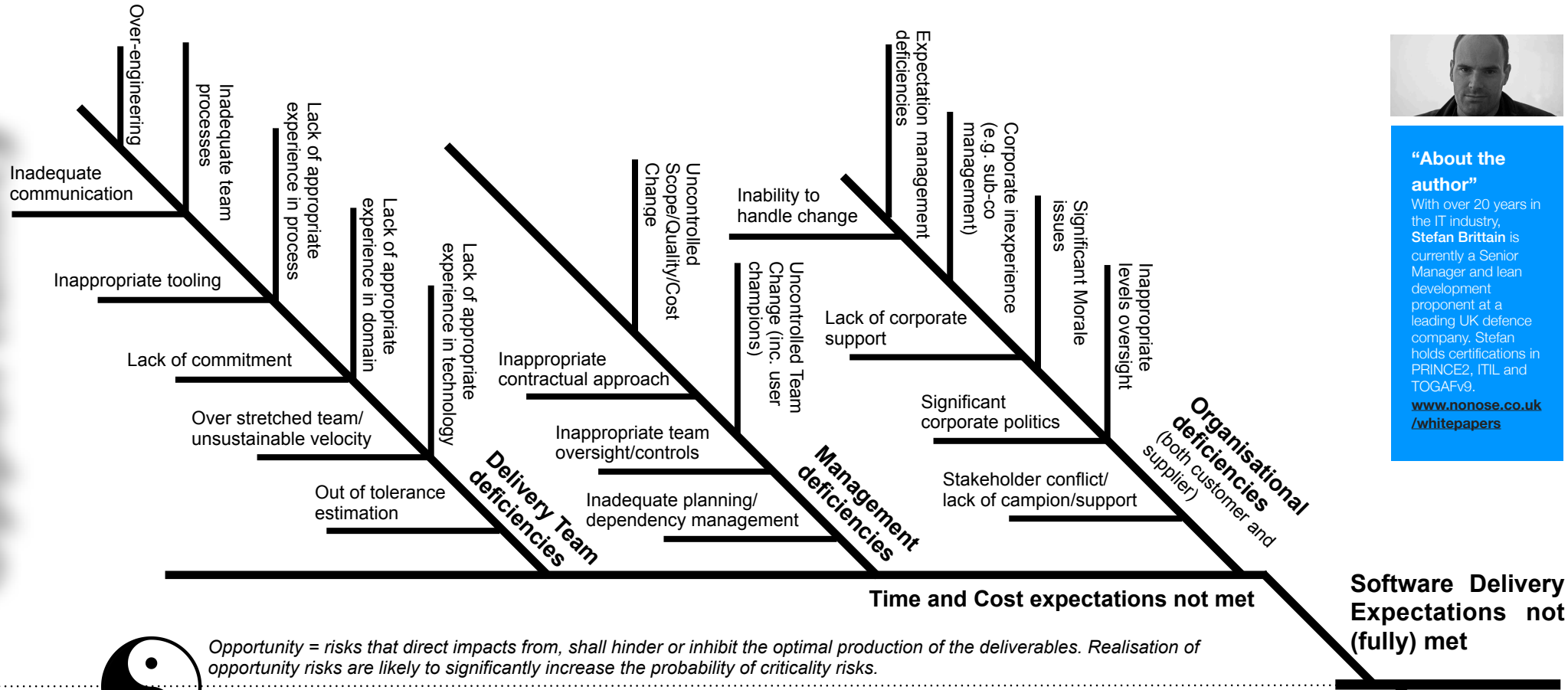
Risk Concept Map



Cause and Effect diagram with aggregated Software Development Failure risks from L. Wallace, B. Boehm, G.Para, R. Schmidt (see Arnuphaptrairong http://www.iaeng.org/publication/IMECS2011/IMECS2011_pp732-737.pdf)

A standard risk model for Software Delivery

Opportunity



“About the author”
 With over 20 years in the IT industry, **Stefan Brittain** is currently a Senior Manager and lean development proponent at a leading UK defence company. Stefan holds certifications in PRINCE2, ITIL and TOGAFv9.
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Criticality



Criticality = risks that direct impacts from, shall compromise the ability to meet (potentially contracted) expectations for the deliverables. Realisation of criticality risks are likely to significantly increase the probability of opportunity risks.

- Deliverables unmaintainable/unsupportable
- Inability to demonstrate compliance
- Inadequate/inappropriate levels of assurance
- Technology Failure/maturity
- Inadequate levels of solution derisk (e.g. design)
- Incorrect requirements
- Inadequate/inappropriate level of requirements capture
- Inadequate Definition of done