

11 Risk Management - Trends

Trends

- **Non-event risks** are **variability risks** and **ambiguity risks**
- **Variability risk**
 - = Uncertainty about the characteristics of a planned event/activity/decision
 - E.g.: productivity, number of errors, weather
 - Addressed by Monte Carlo simulation
 - Take actions to reduce the spread of the probability distribution
- **Ambiguity risk**
 - = Uncertainty about what might happen in future due to imperfect knowledge
 - E.g.: Requirements for technical solution, regulatory frameworks, inherent systemic complexity
 - Addressed through definition of areas with deficit of knowledge
 - Fill gaps with expert input or benchmarking
- **Emergent risk**
 - Unknowable unknown that is recognized only after the risk has occurred
 - Addressed by **project resilience**
- **Project resilience**
 - Budget and schedule contingency
 - Flexible processes; strong change mgmt
 - Empowered team with clear objectives and trust
 - Frequent reviews of warning signs
 - Clear input from stakeholders
- **Integrated risk management**
 - Escalation of risks to program or portfolio management level