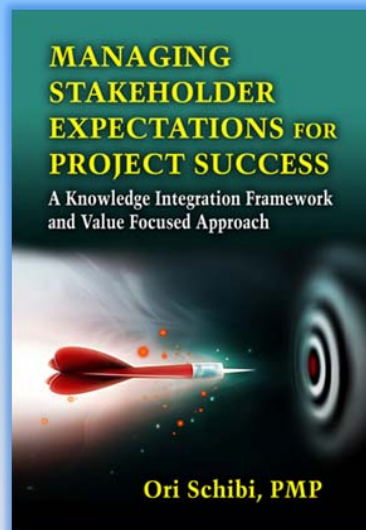


Risk Breakdown Structure (RBS) Extensions Presentation

BY

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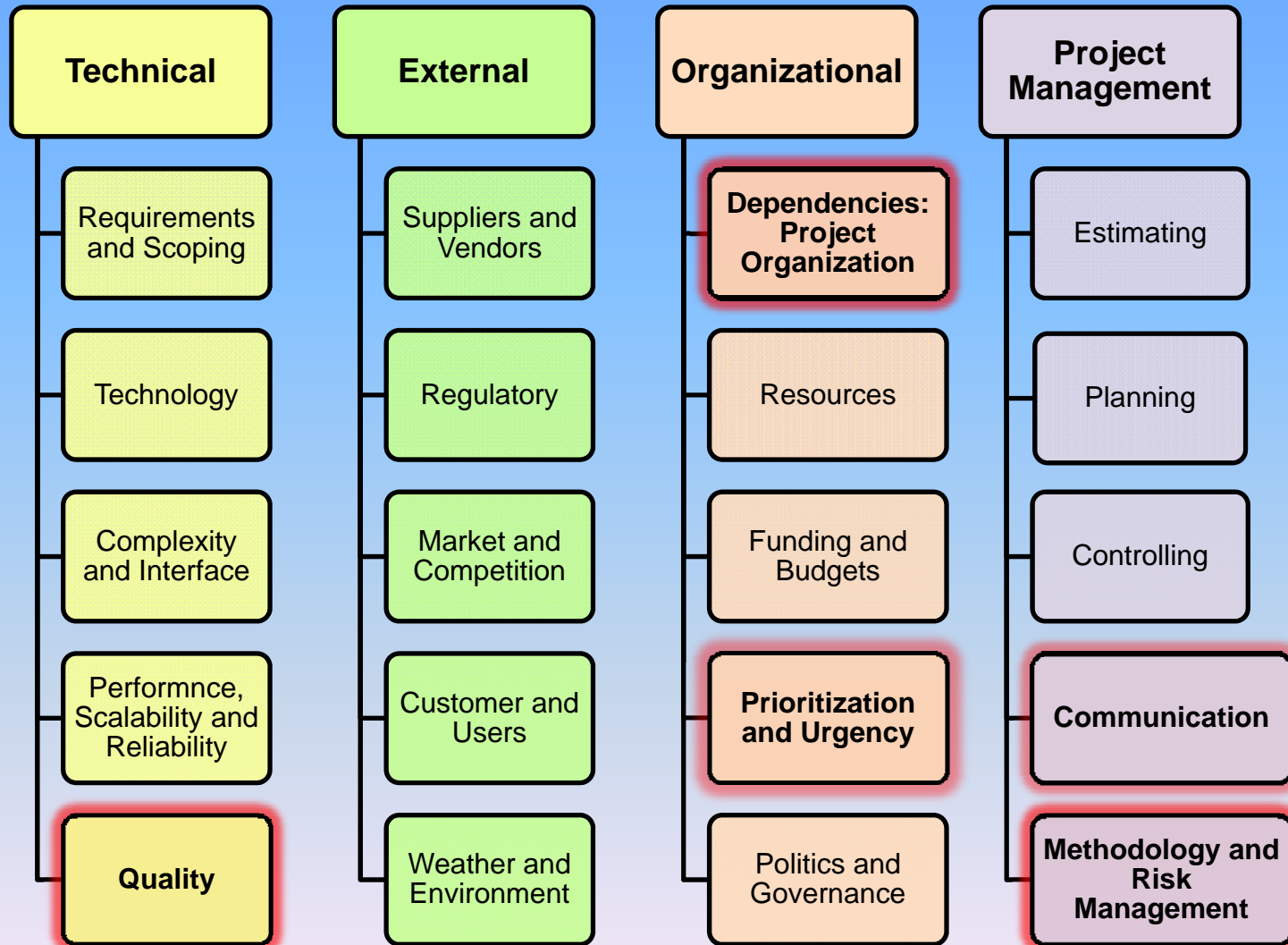
RBS Extensions

- The enhanced RBS example being presented is based on the *PMBOK® Guide's* RBS (Risk Breakdown Structure) with slight variations including different names and additional sub-categories to articulate areas of focus
- Adapted from *A Guide to the Project Management Body of Knowledge (PMBOK® Guide) Fifth Edition* by the Project Management Institute (PMI®)

Rationale

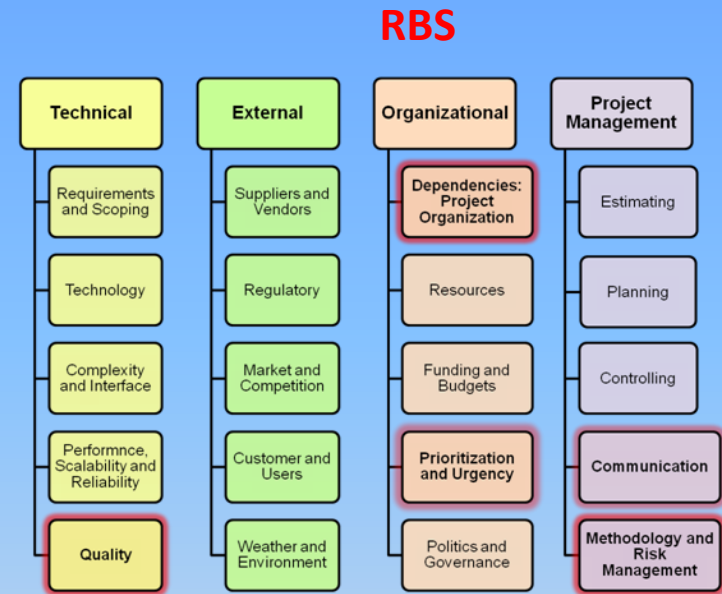
- The version of RBS presented includes a few additional sub-categories
- Additional areas of potential risks and possible sources have been provided for the Project Manager's consideration
- The addition of the Communications, Dependencies, Governance and Prioritization/Urgency Sub-Categories provide the PM with more context about sources of risks. These are not confined only to project risks, but also to organizational and business risks that may occur around, or as a result of, the project

RBS Extensions



The Sub-Categories

- Communications
- Dependencies
- Governance
- Prioritization/Urgency
- Quality
- Methodology and Risk Management



The Sub-Categories

COMMUNICATIONS

- Risk and communications are closely tied to each other
- A breakdown in communication can lead to major project risks
- Not “owning” project communication is an early sign that the project may be plagued with unidentified or mismanaged risks
- One of the most effective ways to manage risk effectively and move more a reactive mode toward prevention is via effective communication, setting up ground rules and putting together a Team Contract or a Team Charter so conduct and behaviour expectations are set

The Sub-Categories

DEPENDENCIES

- Cross project dependencies, mainly related to resources and deliverables, are organizational considerations (priorities)
- Cross risk dependencies, from within the project or cross-project, are major sources of risk and need to be considered as part of effective risks management

The Sub-Categories

DEPENDENCIES

- Addressing these dependencies and proactively looking for them and treating them in a timely and appropriate manner, is a critical step in containment, and will reduce the number of surprises (especially the “unpleasant” ones) that the project will encounter
- With a focus on dependencies, PMs will improve their ability to think about the big picture and the overall impact their actions will have on the business and the organization as a whole. Collaboration among PMs will also be improved by making it a recognized step in the effort to think about risks and benefits for the organization.

The Sub-Categories

GOVERNANCE

- Considerations that are related to the Sponsor, decision making processes, approvals, sign-offs, organizational politics and escalation
- Unfortunately not all projects get the support they need from upper management and it may have significant impact on project success
- Detecting these challenges can give the PM a heads-up and alert the appropriate stakeholders of the corresponding implications it may have on the project moving forward

The Sub-Categories

PRIORITIZATION / URGENCY

- These terms are often used interchangeably
- Priority is set by the organization and is related to strategic objectives and initiatives
- A high priority project may not be the most important thing to address throughout its lifecycle
- Other projects or initiatives may be more urgent to deliver at various points within their lifecycles
- Prioritization needs to be mandated and articulated by senior management

The Sub-Categories

PRIORITIZATION / URGENCY

- Urgency should be sensed and defined through collaboration between or among PMs, and other stakeholders who compete for the same resources (people, money, physical, other); it should be performed periodically
- The frequency for defining a set of project urgency rankings should vary from weekly to monthly based on the velocity of the initiatives involved
- The collaborating body should consist of a governing organization, the PMs involved, and other applicable stakeholders
- Urgency should be defined as a combination of agreed upon factors including deadlines, dependencies, visibility, organizational impact, severity of crisis, and the stakeholders involved

The Sub-Categories

QUALITY

- Although Quality was not an addition in our “enhanced” RBS, Quality is an important component that needs to be reviewed
- In addition to meeting standards, regulations and requirements, Quality also is about delivering on customers’ actual needs
- In addition to time (when something must be delivered on time), budget, or specific functionality, overall Quality is about meeting stakeholder expectations (including managing expectations effectively), defining and articulating project success, and identifying the values and benefits the customer gains from a project
- Anything that may stand in the way of delivering on all of these criteria should be taken into consideration
- Addressing those potential hurdles early on and proactively is critical to the project’s ability to deliver success

The Sub-Categories

METHODOLOGY AND RISK MANAGEMENT

- This sub-category looks at the organization's, and the involved stakeholders', track record of managing risk and of applying project methodology
- Consideration is given to how the organization reviews historical information, the collection, application and implementation of lessons learned
- The methodology used for risk management and the amount of discipline surrounding it are also factors
- The effectiveness the risk methodology is and what the organization's risk tolerance level is