

Risk Management for Project Driven Organizations

By Andy Jordan, PMP

Process Analysis Checklist

This checklist assumes that you will be developing a process analysis matrix similar to that shown in Table 20.1

Item	Completed?
Has business case been reviewed?	Choose an item.
<u>Scope</u>	
Have all project execution areas within the organization been identified?	Choose an item.
Does scope need to be reduced to subset of execution areas?	Choose an item.
If yes, has scope been clearly defined (for this phase)?	Choose an item.
Does scope align with business case?	Choose an item.
If no has variance been approved?	Choose an item.
<u>Existing processes</u>	
Does organization have a standard organizational risk management approach?	Choose an item.
If yes, enter version number / date	
Does organization have a standard project risk management approach?	Choose an item.
If yes, enter version number / date	
Have all existing active risk management processes been identified?	Choose an item.
Have all documented processes been obtained?	Choose an item.
Have all support documents (templates, guidelines, etc) been obtained?	Choose an item.
Have examples of managed risks been obtained for each available approach?	Choose an item.
<u>Risk outcomes / organizational view</u>	
Have processes with available risk outcome / success metrics been identified?	Choose an item.
Have metrics been obtained where available?	Choose an item.
Is executive / leadership view of risk effectiveness and challenges understood?	Choose an item.
<u>Documentation</u>	
Has matrix been completed?	Choose an item.
Is matrix thorough enough to be understood?	Choose an item.

Guidelines

This checklist is intended to partner the matrix shown in Table 20.1 and a change to one may well require a change to the other. This template framework can also be used to capture information on a specific departmental risk process as you drill down into more detail on the way that risk management is applied in different areas of your organization. You will need to adjust some of the specific checks, but a consistent 'next level down' checklist will help to ensure that the work undertaken on understanding the current state for each row of the matrix can be compared with other rows.

Notes on each field:

- **Business Case Review** – this is an initial 'sanity check' to ensure that the business case has been reviewed prior to any other work being undertaken. The business case should provide the foundation for at least the next few questions as well as contributing to other checks.

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- **All Execution Areas Identified** – even if the project will have restricted scope initially any area of the organization can provide inputs to the processes that you develop, reveal best practices to leverage, etc. Additionally, if the process analysis identifies significant gaps and / or shortcomings the scope may need to be reviewed once the analysis is complete.
- **Scope Reduction** – unless the project, or this phase of the project, is going to address every project execution area within the organization then the scope will only be a subset of those process areas and this question confirms that.
- **Scope Definition** – the scope obviously needs to be clearly understood and unless every project execution area is to be included then this must be specifically defined.
- **Scope Alignment with Business Case** – the project was approved based on the business case which will have contained some high level scope for the project. We need to ensure that the scope as now defined aligns with the scope contained in the business case, and if not address the next checklist item.
- **Variance Approval** – if the business case and the current scope are not aligned then the variance needs to be approved before the work can proceed. This approval should be given by the same person or group who approved the project initially.
- **Existing Standard Organizational Risk Process** – if the organization already has some form of standard organization wide risk management approach then that should be captured here and the version number / last modified date captured. Note that this should reflect any approach that has been identified as an organization wide and will not necessarily reflect compliance, reach, etc.
- **Existing Standard Project Risk Process** – if the organization already has some form of standard project risk management approach then that should be captured here and the version number / last modified date captured. Note that this should reflect any approach that has been identified as 'standard' and will not necessarily reflect compliance, reach, etc. You may need to duplicate these two rows if there are different standards for different areas of the organization.
- **All Active Processes Identified** – it is important to identify all of the risk management processes that are currently in use so that the broadest possible understanding of the way that risk management occurs is obtained. This should not be limited to just the areas of the organization that are in scope for this project / phase, but should seek a full picture within the organization. You may wish to add an additional check, or rephrase this one, to consider approaches that are not active. This requires an understanding of your organization to avoid including obsolete processes that may result in an inaccurate picture while at the same time ensuring that we don't ignore useful process foundations where the only problem is that they are being ignored.
- **Documented Processes Obtained** – this ties back to the previous check and requires us to obtain the process documents that exist for each of those processes. Some processes may have no documentation at all, merely being executed on an ad hoc basis, while others will be well documented with detailed process flows, descriptions and change control. Most scenarios will represent something in between and you should expect inconsistencies between what is available for each process.

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- **Support Documents Obtained** – this expands on the previous check to ensure that additional documentation associated with the processes have been obtained. These are likely to vary even more substantially from process to process and may include training documents, templates, checklists, examples, etc.
- **Risk Examples Obtained** – building on the previous two checks, this item is designed to ensure that we obtain examples of how processes are actually applied to real risks. This will help to identify variances in process execution as well as providing a more accurate picture as to how risk management is really happening. Care should be taken here to obtain a cross section of examples, not just one or two, and certainly not only the examples that are volunteered by existing process owners (which are unlikely to show any problems that may exist).
- **Available Metrics Identified** – the next few checks can be the most difficult. Where possible we want to identify the success or otherwise of existing processes in as objective a way as possible. This requires us to identify where such metrics exist so that the data can be sought out. This may be in the form of historic risk data from a project database (we are generally more concerned with summary data that shows benefits of management, trigger rates, accuracy of contingency and management reserves, etc) or may be less formally captured in project plans. In many cases there may not be reliable data available.
- **Metrics Obtained** – where reliable metrics are available we should ensure that summary data is obtained so that the success or otherwise of existing risk management approaches can be reviewed. There should be a low expectation around the amount of reliable data that can actually be obtained.
- **Leadership view** – this is an area that is almost completely subjective, but it is important to help you understand the environment into which you are going to be implementing your processes. Because your project has already been approved by this point there is clearly some recognition that opportunities for improvement exist, but this may not be a universally held view. You need to understand which areas of the organization believe that problems exist, which areas believe that existing processes are adequate, and where those views differ from the reality that you have discovered through the analysis. You are not seeking here to re-educate leaders within the organization, rather you are gaining a better understanding of upcoming implementation challenges.
- **Matrix Completed** – as a check towards ensuring that the analysis has been completed you need to ensure that the matrix that you have used is complete – at least some value (even if it is only “not available”) in every cell.
- **Matrix Understandable** – with a matrix format there can be a tendency to minimize the content provided to match the relatively small cell size for each area. You need to ensure that someone who reviews the matrix without already having a detailed understanding of the issues can interpret the matrix successfully. The use of abbreviations can be helpful, but in that situation a glossary / acronym dictionary needs to be provided.