



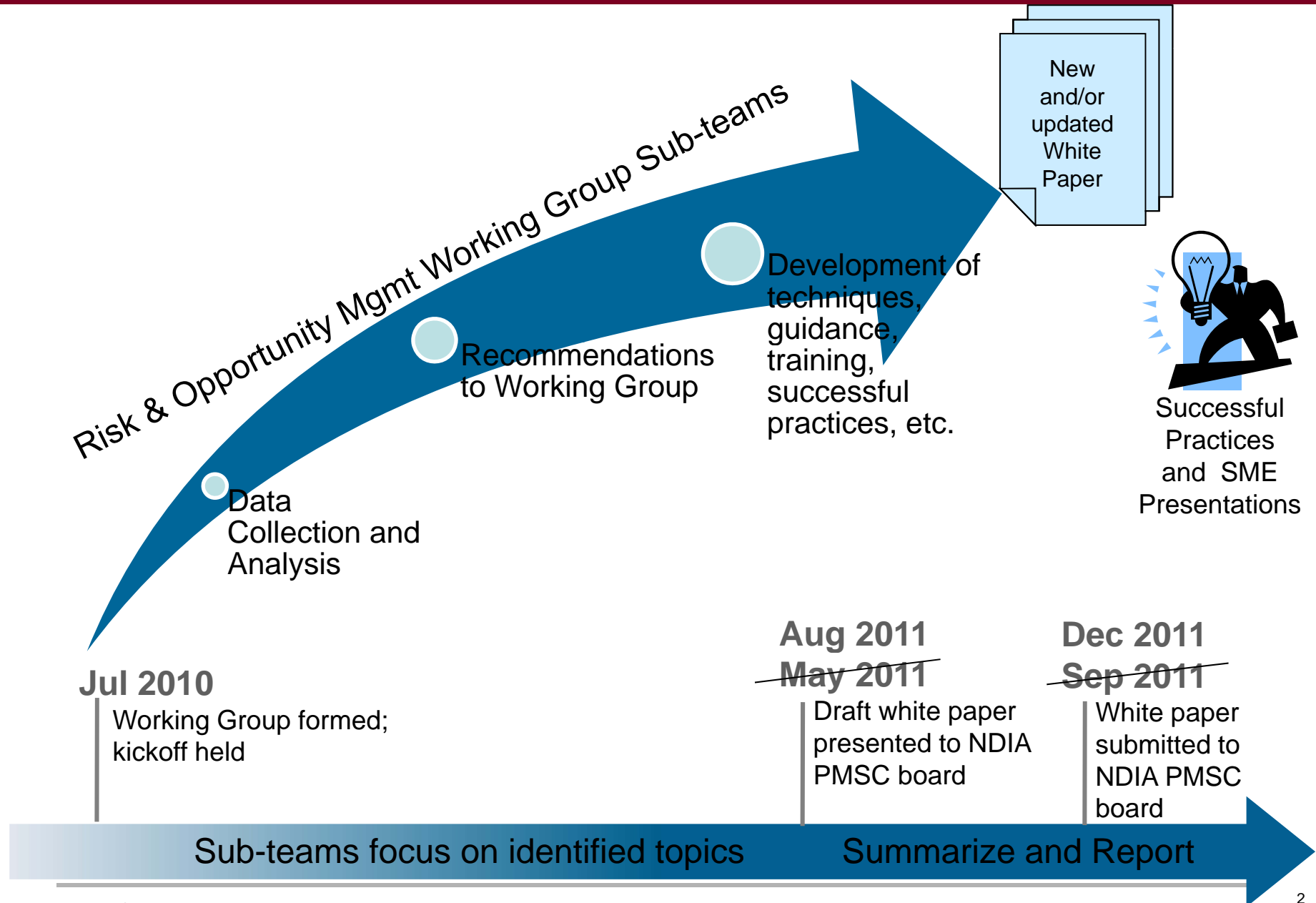
**STRENGTH THROUGH INDUSTRY & TECHNOLOGY**

# **NDIA PMSC Risk and Opportunity Management Working Group**

**10 August 2011**

*John Driessnack*

# Process and Timeline



# Working Group Status

- White Paper Development
  - Will be used to document the groups efforts
    - Appendixes for details from the two process working groups
    - Summarize current state of Risk Management and Integration
    - Layout a set of recommendations
  - Paper picks up where 2005 papers ends and reviews progress
    - Assumes need for integration is still valid
    - Summarizes changes since 2005 paper ...emphasis on GAO and other guidance on “desire”, but notes limited methods are documented as guidance
    - Reviews the progress of 2005 Recommendations

## Benefits

- Fewer surprises in programs
- Improved, proactive decision making
- More accurate EACs (best, worst, most likely) (mapped through WBS to CA)

# 2005 White Paper Recommendations

☹ Language addressing risk management integration in guidance ...

- Words/process were added to the Application Guide

☹ Consider risk in development of WBS, incorporation into MIL-STD-881

☹ Industry guideline that documents Risk Management (like EVM)

☹ EVM community reach out to other communities and partner with them on this initiative to create the demand for integrating RM and EVM. These included the “PMI’s Risk SIG, SCEA and INCOSE.

☹ Address risk identification prior to contract award and its effect on competitive procurements, address in idea of a pre-award IBR

☹ OSD add risk assessment requirement for establishing program baselines and tracking such risk assessments in program/contract, to include the CPAR

# 2005 White Paper Recommendations

- ☹ Language addressing risk management integration in guidance ...
  - Words/process were added to the Application Guide
- Current integration guidance is very top level
- Recommend
  - Add further wording to Application Guide and PASEG
    - Integrating risks and opportunities into the IMS and PMB
      - Provide further specific examples
    - Parameters for quantification methods/techniques
      - Provide specific examples
  - Guidance states “increasing level of complexity of approach based on program need and organization maturity level”
  - Work with GAO to add to GAO best practice guide

# 2005 White Paper Recommendations

- ☹ Industry guideline that documents Risk Management (like EVM)
- ☹ EVM community reach out to other communities and partner with them on this initiative to create the demand for integrating RM and EVM. These included the “PMI’s Risk SIG, SCEA and INCOSE.
- Group feels a Risk/Opportunity guide, similar to other NDIA PMSC guides, should be developed
- Offers opportunity to collaborate with other industry groups
- Recommendation
  - Current group work toward Risk/Opportunity guide once Application/PASEG changes are approved (project spring 2012)

# 2005 White Paper Recommendations

- ☹ Address risk identification prior to contract award and its effect on competitive procurements, address in idea of a pre-award IBR
- ☹ OSD add risk assessment requirement for establishing program baselines and tracking such risk assessments in program/contract, to include the CPAR
  
- These recommendations are policy related and beyond current group
- Recommend
  - Board charter different group to address these areas
  - Current team agrees these are good areas to address

# Working Group Status

- Soliciting successful practices for:
  - Integrating risks and opportunities into the IMS and PMB
  - Quantification methods and techniques leading to a set of user guidelines
- Objective is a set of user guidelines:
  - Increasing level of complexity based on program need and organization maturity level
- Plan to obtain a workshop slot in NDIA track at the fall IPM conference to discuss successful practices identified with practitioners



# Next Steps

- Finalize incorporation of successful practices for:
  - incorporating risks into the IMS and PMB
  - Quantification Data (process & methods)
- Submit draft white paper
- Obtain panel slot in NDIA track at the fall IPM conference



## Backup slides

# Proposed Charter

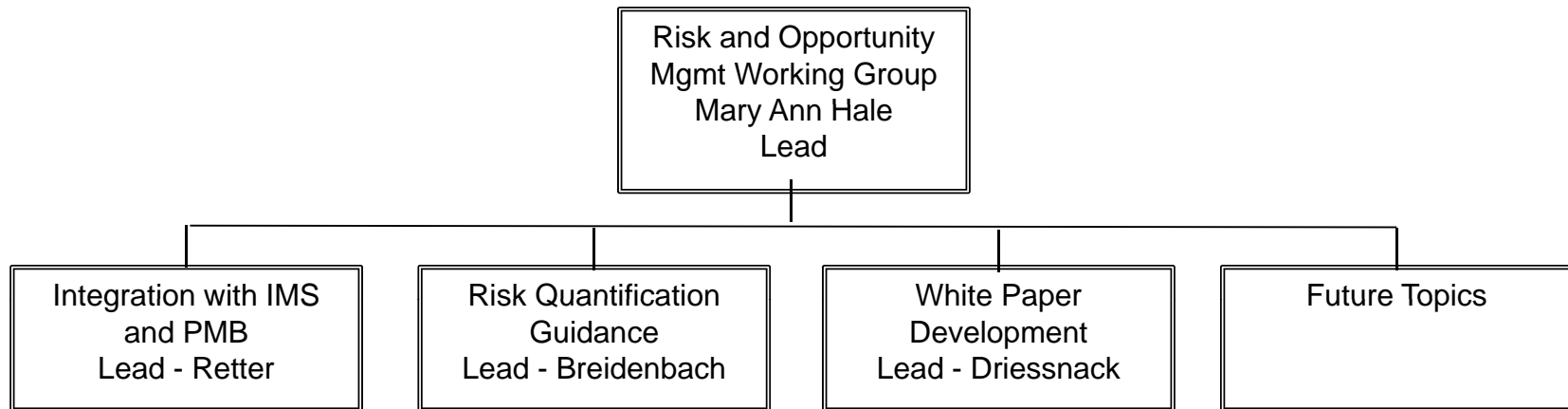
- Review, document, and communicate government and industry “successful practices” for effective Risk and Opportunity (R/O) Management throughout the acquisition life cycle of any Government program.
  - Includes quantitative and qualitative processes for planning, identifying, assessing, handling, and monitoring events that could have a potential for causing a positive (Opportunity) or negative (Risk) impact to program objectives.
- Consider and recommend changes to applicable Government policies, practices and processes which, if implemented, would enable or enhance the implementation of effective R/O Management.
- Define the approach for effective integration of R/O Management with other program management processes including, but not limited to, Planning, Scheduling, EAC development, and Cost Estimation.

# Proposed Objectives

- Establish a PMSC Risk & Opportunity Management Working Group.
  - Include both Industry and Government participation (PARCA, DCMA, OSD sys engr, services, GAO rep) in the Risk & Opportunity Management Working Group.
  - Integrate other industry working groups (Risk SIG, PMI risk virtual group, INCOSE group)
- Provide Industry and Government SMEs on Risk & Opportunity Management to give presentations on “successful practices”.
- Develop and recommend integrating techniques, guidance, successful practices, and training that supports the integration of Risk & Opportunity Management with other Program Management functions.

Output: update to the existing Whitepaper, a potential new whitepaper, and successful practices on this subject

# Organization



# Team Members

## Industry Participants

Participant	Company/Service Represented
Alleman, Glen	Lewis & Fowler
Baker, Darrell	Northrop Grumman
Ben-Zeev, Oren	PricewaterhouseCoopers
Breidenbach, Jay	United Launch Alliance
Cleotelis, Dave	Raytheon
Draskovich, Barry	Parker Hannifin
Driessnack, John	Management Concepts
Druker, Eric	BAH
Edwards, Rob	Project Performance Inc
Feagin, Sid	Lockheed Martin Aeronautics
Gold, Eden	Steelray
Hale, Mary Ann	General Dynamics AIS
Hamon, Douglas	Battelle Memorial Institute
Houser, Joe	KM Systems
Houser, Susan	Battelle Memorial Institute
Hulett, David	Hulett and Associates
Jonas, Val	Risk Decisions
Kline, Melina	Navistar
Knapp, Alan	Robbins, Gioa, LLC
Kuhn, Tom	Integrity Management Consulting
Lacroix, Paul	Lockheed Martin
Lappe, Gene	Northrop Grumman
Lemmerman, Mary	Boeing
Melvin, Keith	General Dynamics C4S
Retter, Stuart	Bell Helicopter
Riehl, Kevin	BAE Systems
Robinson, Gary	Raytheon Integrated Defense Systems
Romanelli, Amy	Northrop Grumman Aerospace Systems
Siefert, Bill	INCOSE
Smith, Wade	Raytheon Missile Systems
Wilkins, Laura	ITT Systems
Wynne, Peter	Lockheed Martin

## Government Participants

Participant	Company/Service Represented
Lengyel, David	NASA, Exploration Systems Mission Directorate
Mercado, Amy	AF PM&AE (SAF/AQ)