

Qualitative & Quantitative methods for Risk Management (examples)

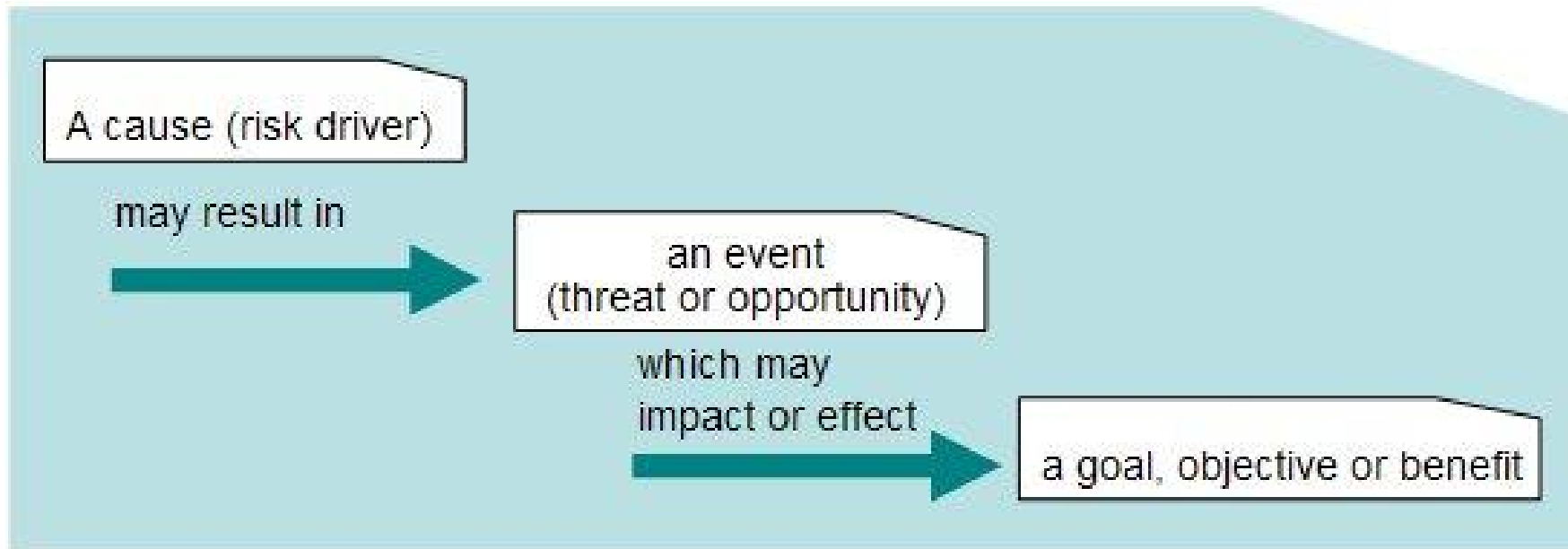
Mike Ward
Outperform UK Ltd

Best Practice User Group

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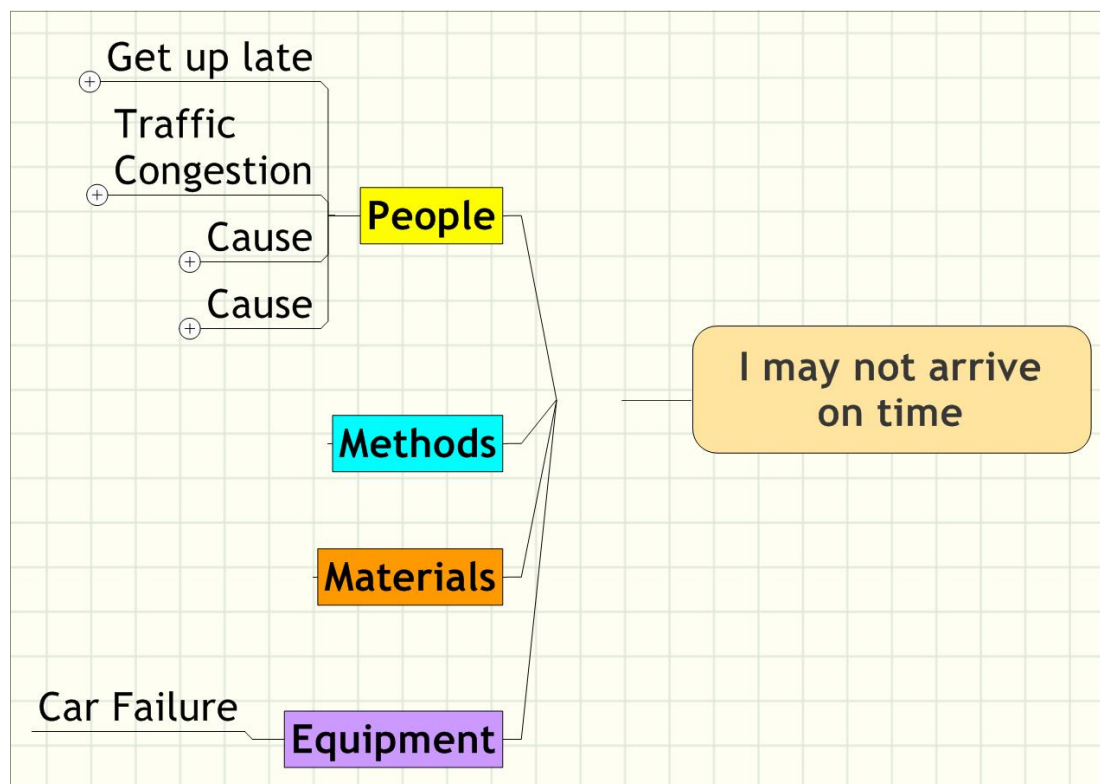
Project Management, Programme Management, Risk Management
PRINCE2™, MSP, M_o_R®

Writing a risk statement



Understanding the causes

- Risk Breakdown Structure
- Root Cause Analysis



Qualifying the Risk

- Define what is important to you
- Code the values
- Decide what to do with the answer!

Initial Risk Analysis		Customer Capability		Risk Category		
Supplier Capability						
Overseas work?	y	Difficult customer?	y			
Contract required?	y	New customer?	y			
Penalties / bonuses?	y	Low competence?	y			
Unclear requirement specifics?	y	Active politics?	y			
Unclear acceptance criteria?	y	Volatile sponsor?	y			
Non-standard product?	y	Stakeholder resistance?	y			
New product?	y	Little Exec coverage?	y			
Challenging timescale?	y	Weak business case?	y			
Resource issue?	y	Resource issue?	y			
New supplier?	y	Volatile org structure?	y			
Total	10	Total	10			A

Quantifying the risk

- Failure Mode Effect Analysis
 - Identify and eliminate known or potential failures before they reach the customer!
 - Use reliable data

Part Name Part Number	Potential Failure Modes	Causes (failure mechanism)	Effects	Risk Priority Rating				Recommended Corrective Action	Improved Rating			
				Sev*	Freq	Det	RPN		Sev*	Freq	Det	RPN
Cord	Fiber separation	1. Weak precursor material	Ply failure	4	3	8	96	Incoming inspection	4	1	8	3
		2. Handling damage	Ply failure	4	3	8	96	Increase process controls during mfg	4	2	2	16
		3. Cumulative fatigue	Ply failure	4	2	8	64	Monitor tire life	4	2	2	16
Ply	Delamination	1. Dirt or grease	Loss of side wall integrity	7	3	8	168	To luene wipe down during layup	7	1	1	7
		2. Twisted plys	Loss of side wall integrity	7	2	6	84	Automatic ply alignment	7	1	1	7
		3. Poor bond pressure	Loss of side wall integrity	7	2	8	144	Redundant tensioning system	7	1	1	7
Carcass	Disintegration	1. Poor tire alignment	Vehicle loss	9	2	9	162	Planned periodic maintenance	9	1	1	9
		2. Tire hits curb	Vehicle loss	9	2	9	162	Driver training	9	1	1	9

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Contact Us

t +44 870 116 1293

f +44 871 750 3386

e info@outperform.co.uk

w www.outperform.co.uk