

A hand is shown holding a white domino that is falling. In the background, a row of white dominoes stands upright. The scene is set against a dark background, and the lighting highlights the texture of the hand and the smooth surface of the dominoes.

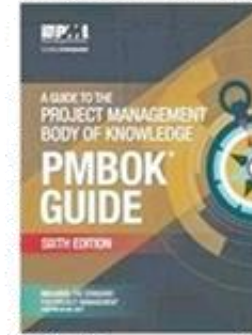
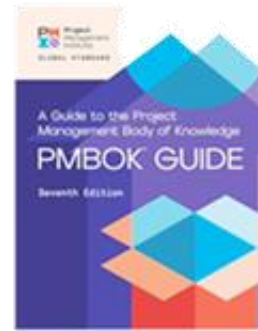
Agile Risk Management in **VUCA** World

Prof Akram Hassan SME@PMI





Prof. Akram Hassan
SME 12@PMI Standards





01 VUCA World!

02 Why Agile Risk Management (ARM)?

03 How to apply ARM?

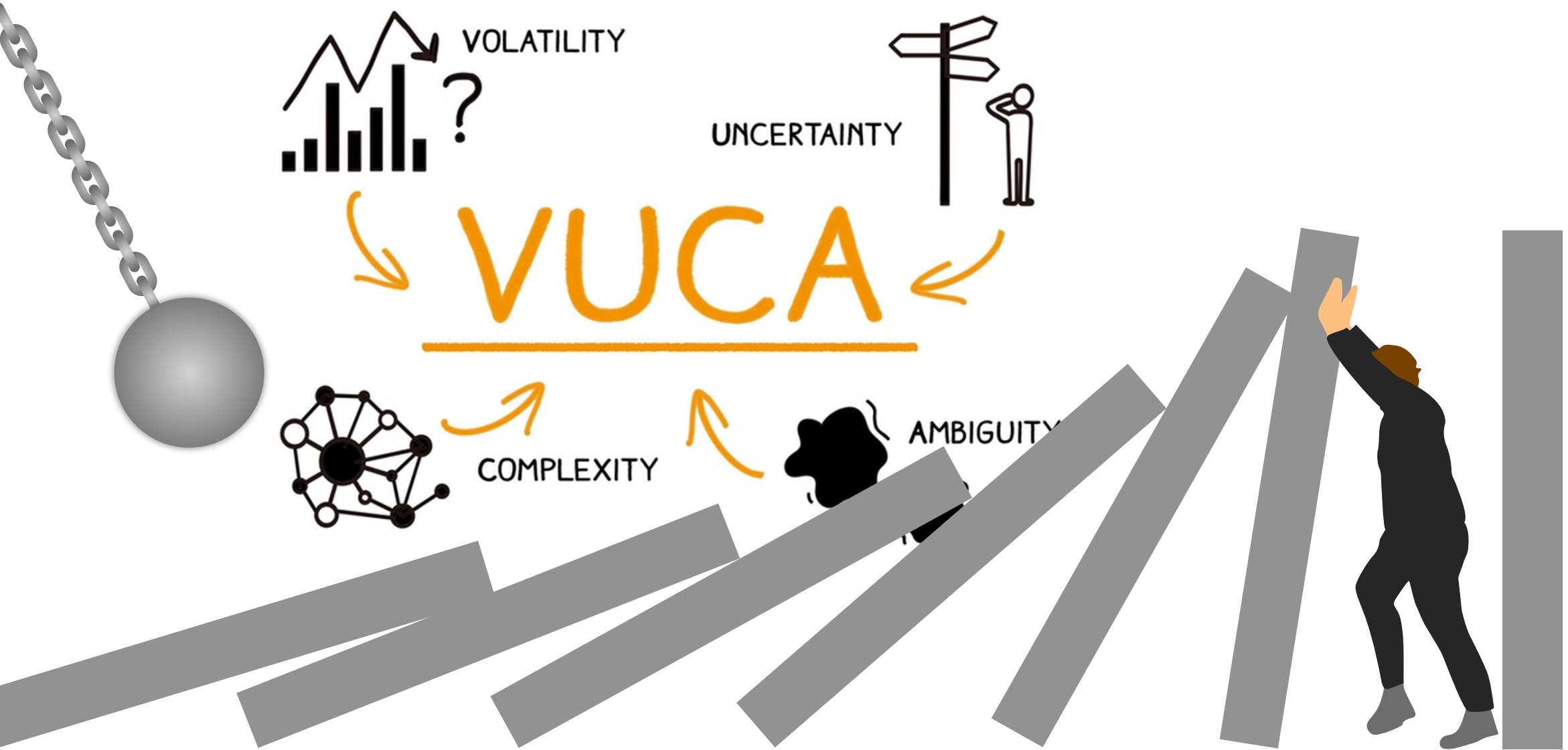
04 Just for you!

Agenda



VUCA World!

VUCA World



VUCA Stages



01 Multiple key decision factors
A wonderful serenity has taken possession

02 Rate of change
A wonderful serenity has taken possession

03 Lack of clarity about meaning of an event
A wonderful serenity has taken possession

04 Unclear about the present
A wonderful serenity has taken possession



Bob Johansen

VUCA PRIME



Vision

Rises above Volatility

Understanding

Reduces Uncertainty

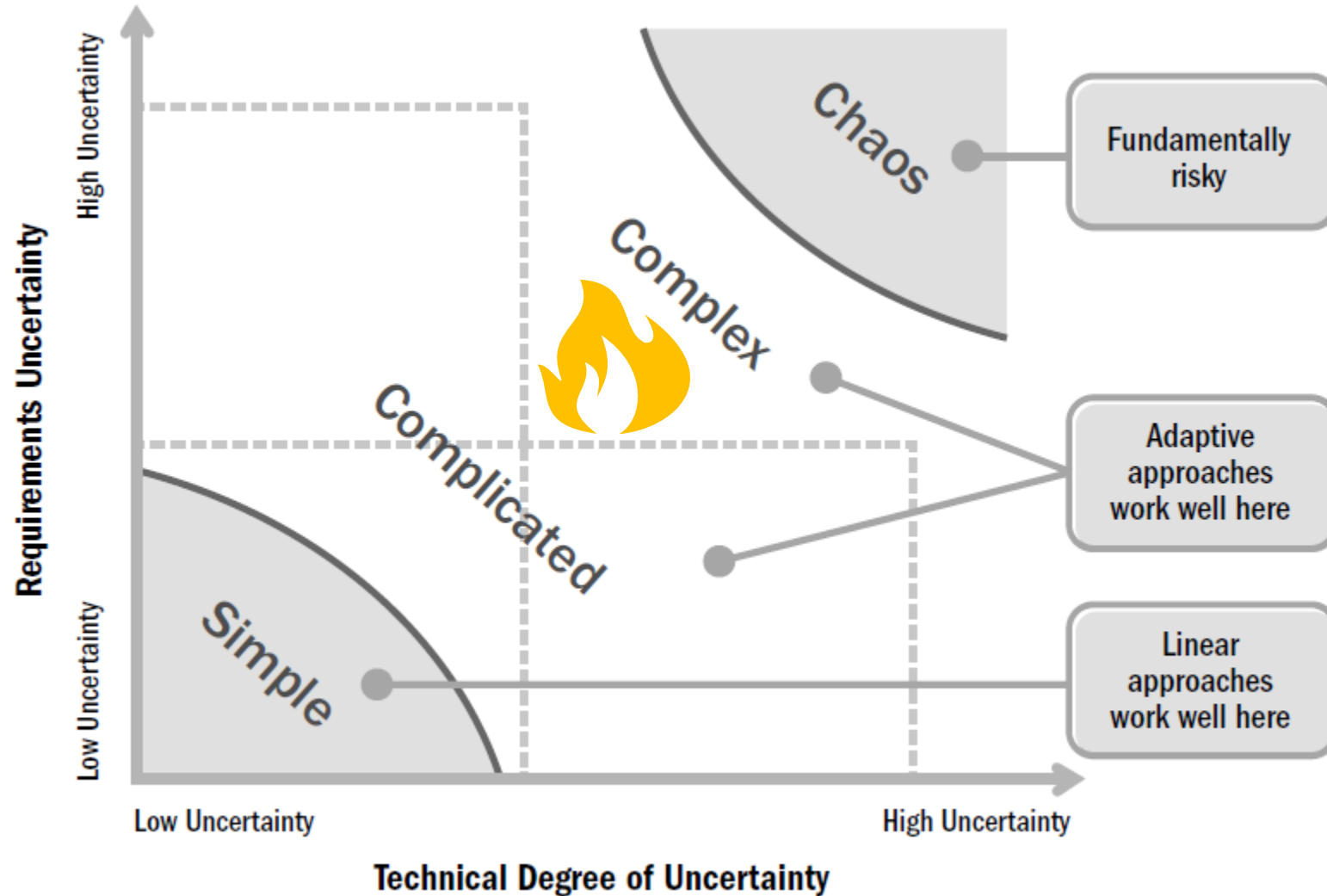
Clarity

Counters Complexity

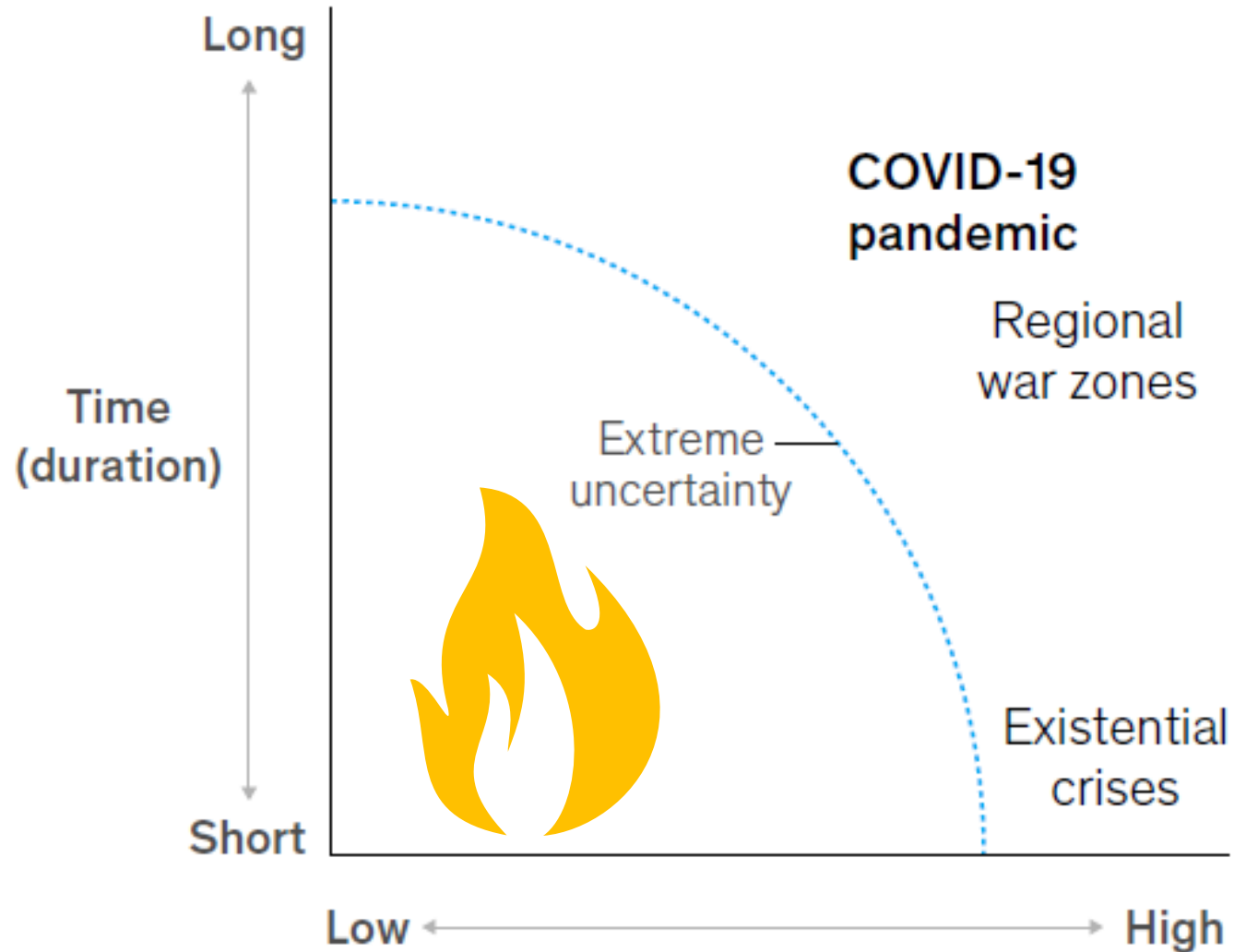
Agility

Overcomes Ambiguity

Uncertainty

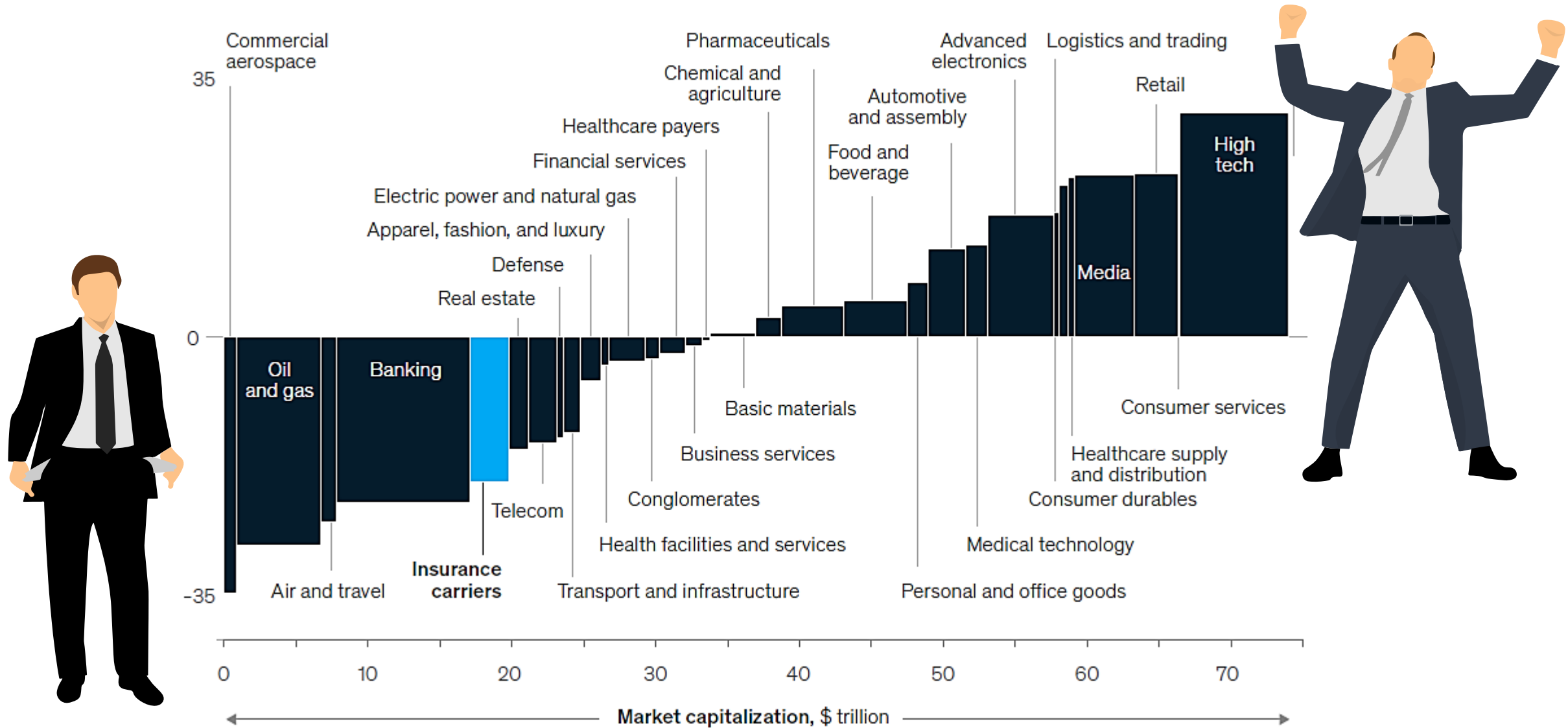


Extreme Uncertainty

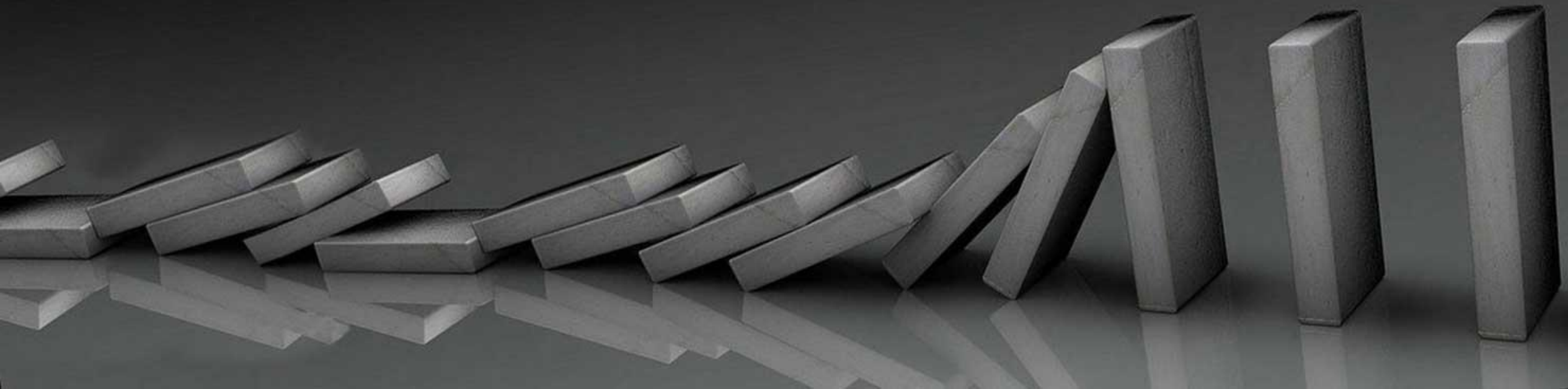





Shareholder returns in 2020



The COVID-19 operating environment requires that managers **reexamine their collective thought processes and challenge their own assumptions.**



A hand is shown in the lower-left corner, holding a single black domino upright. This domino is the only one standing in a circular arrangement of black dominoes on a light-colored surface. The other dominoes in the circle are in various stages of falling, with some already on the ground and others leaning precariously. The scene is lit from the top, creating soft shadows on the surface.

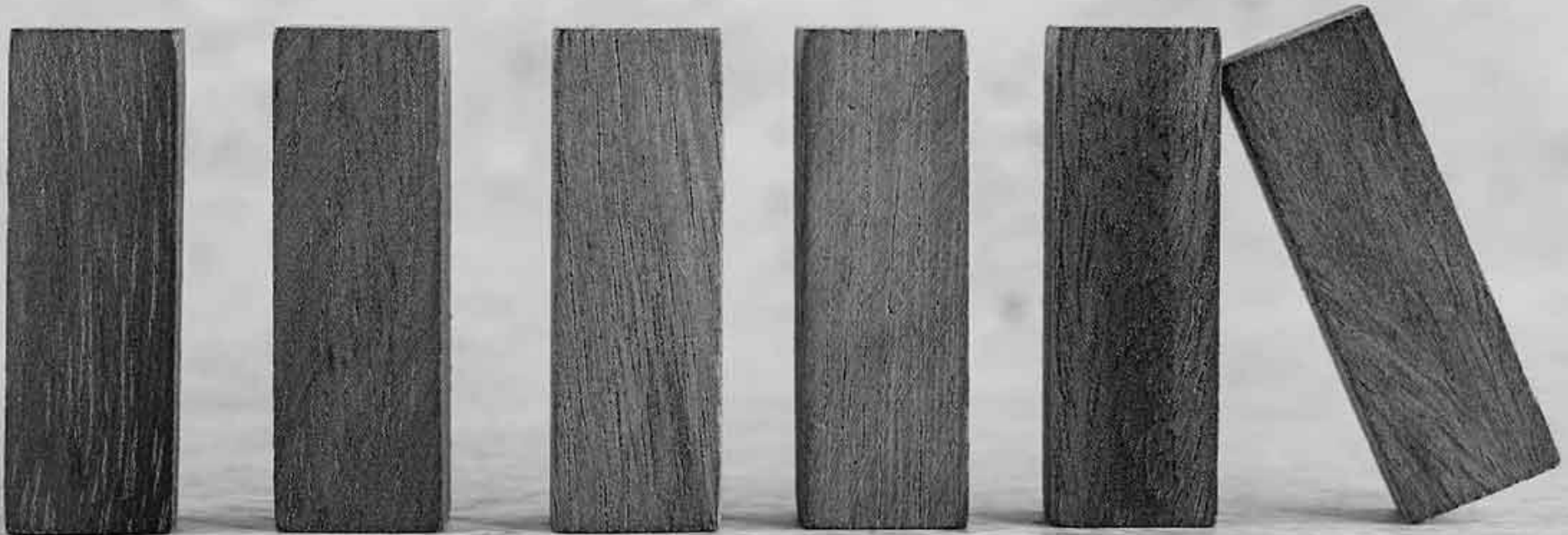
Why Agile Risk Management ?

The increasingly volatile, uncertain, and dynamic risk environment will demand more **agile risk management**. Companies will need to tap into people with the right skills and knowledge in real time, convening cross-functional teams and authorizing them to make rapid decisions in running the business, innovating, and managing risk.

Source: McKinsey on Risk Number 10, January 2021



Agile Risk Management refers to the way agile team manage risks. In Agile projects, the management of risk happens more vigorously through daily stand-up meetings, Scrum planning meeting, release planning meeting, etc. Agile project planning are business value driven and risk driven. The product backlog items are not only prioritized based on value and cost but are also prioritized .



Agile Risk culture

Acknowledgement



Confidence

An assured understanding of an organization's exposure to risk without any false sense of security



Openness

The degree to which management and employees exchange bad news or learnings from mistakes



Challenge

Scrutiny of the quality, appropriateness, and accuracy of others' attitudes, ideas, and actions

Responsiveness



Speed of response

Perception of external changes and reaction speed to innovation or change



Level of care

Responsibility to care about the outcome of actions and decisions

Transparency



Communication

The degree to which warning signs of both internal and external risks are shared



Tolerance

Understanding of risk appetite and its linkage to overall strategy and decision making



Level of insight

Identification and understanding of risks present in the business

Respect



Adherence to rules

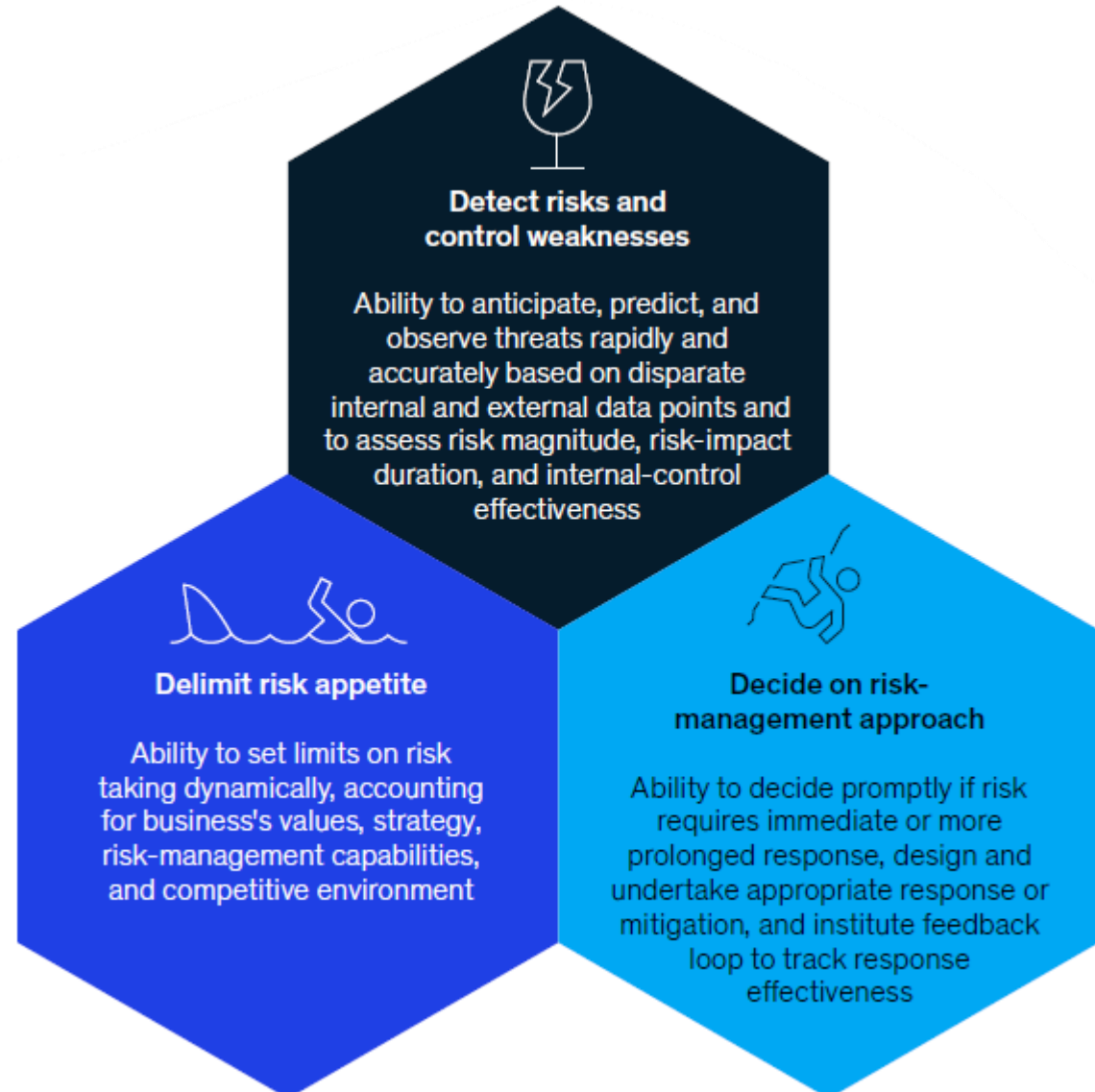
Alignment of individuals' risk appetites to the organization's



Cooperation

Consideration of broader organizational consequences and impact on overall risk appetite when any one team acts or makes decisions

Agile Risk components



A hand is shown in the lower-left corner, holding a single black domino. The domino is positioned at the start of a long, curved line of black dominoes that extends across the top and right side of the frame. The dominoes are arranged in a way that suggests they are about to fall or have just started falling. The background is a plain, light-colored surface.

**How to apply
ARM?**

Risk management for Agile as it is for Waterfall both approaches leverage an Identify, Quantify, Prioritize, Plan and Manage approach, on the surface they appear to be very similar. **It is in the frequency of the risk process as well as the management layer where we see the key differences.**

In waterfall, we do more up-front planning, including risks, whereas in **Agile (being inherently iterative), risk management goes through a more cyclical and repeated risk planning exercise.**



Uncertainty

Waterfall Risk management

RBS
Formal requirement
Detailed task timeline
Risk team meeting
One analysis workshop
Risk plan
Risk Monitoring



Adaptation

Agile Risk management

Team customer interview
Agile estimating
Burndown charts
Daily standup meeting
Iterative analysis
Daily customer interaction
Iteration retrospective

Uncertainty



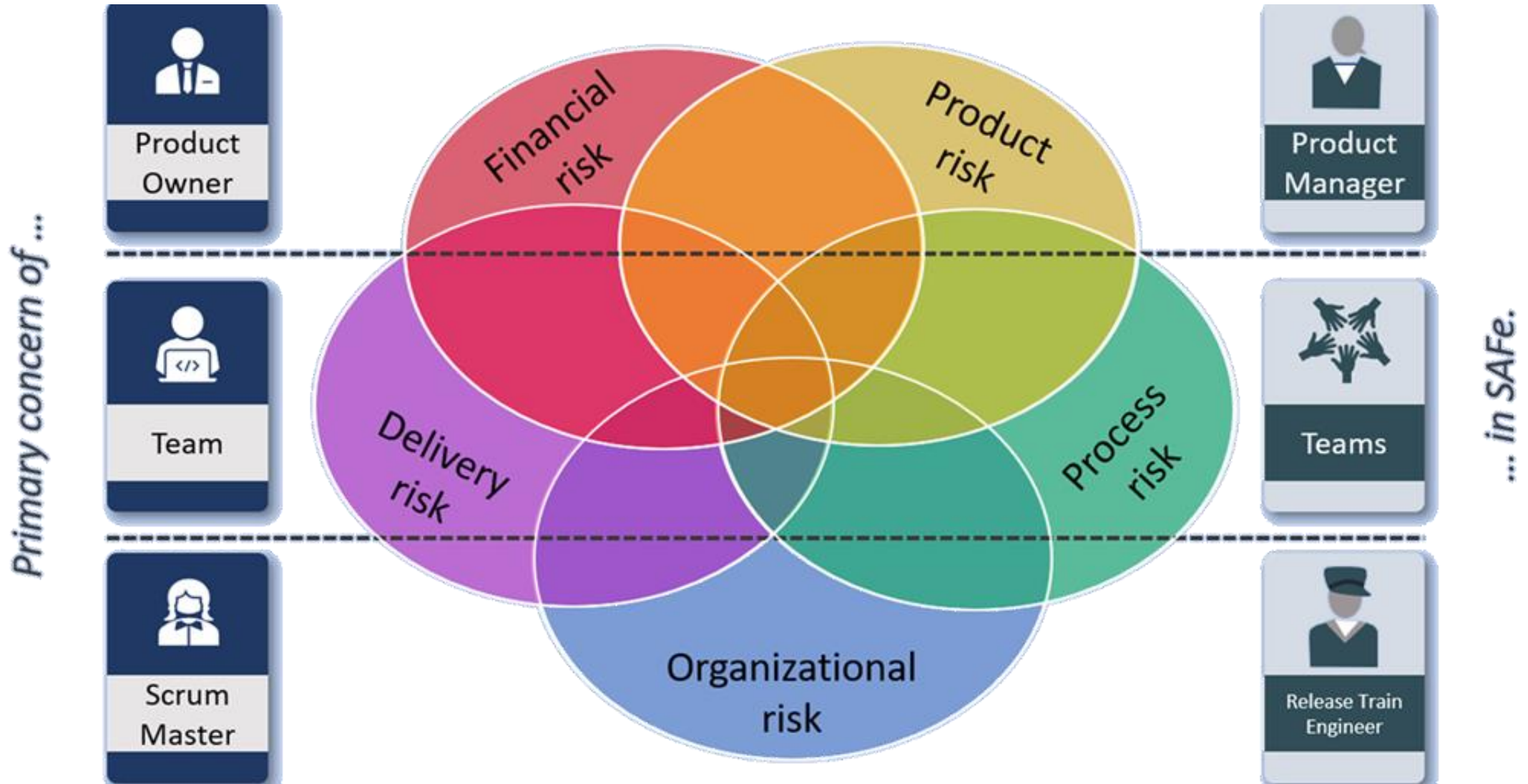
Daily customer interaction
~~Risk Plan~~

Adaptation



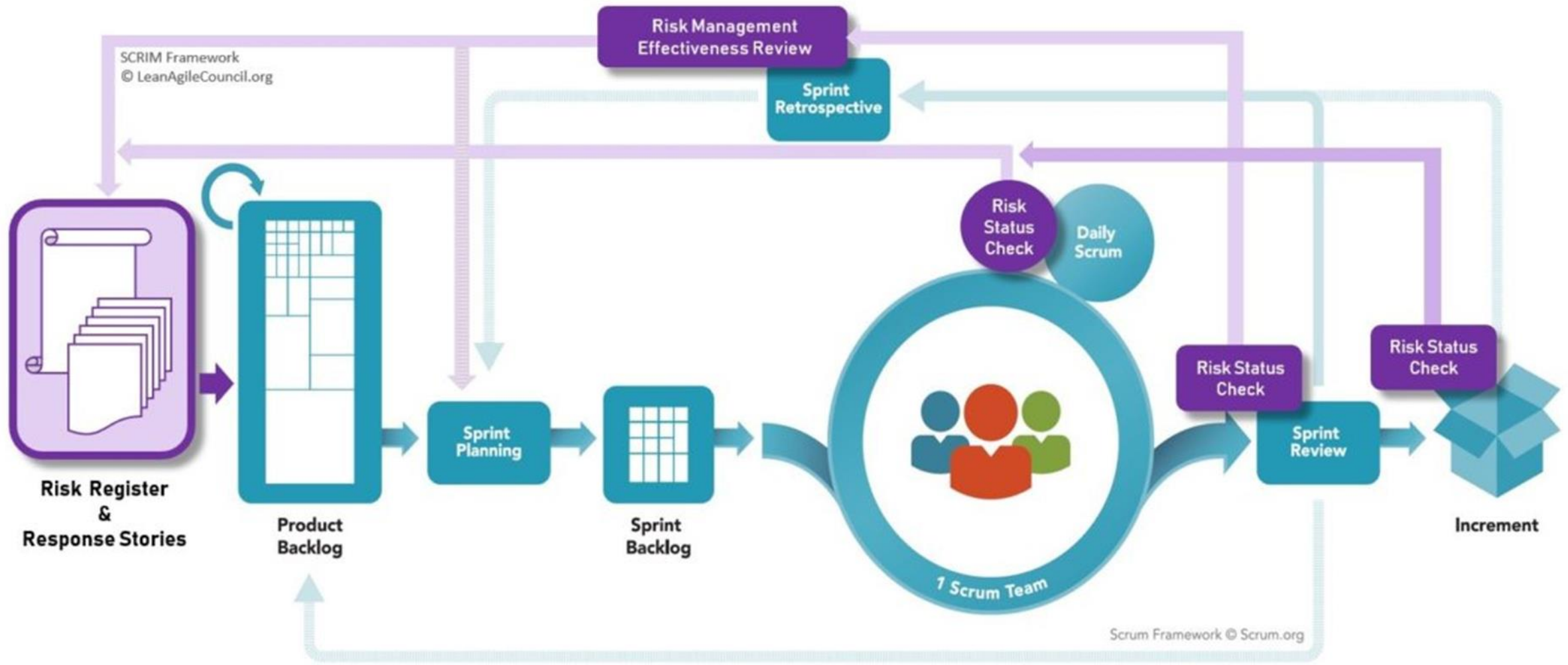


Daily standup meeting ~~Risk Team meeting~~



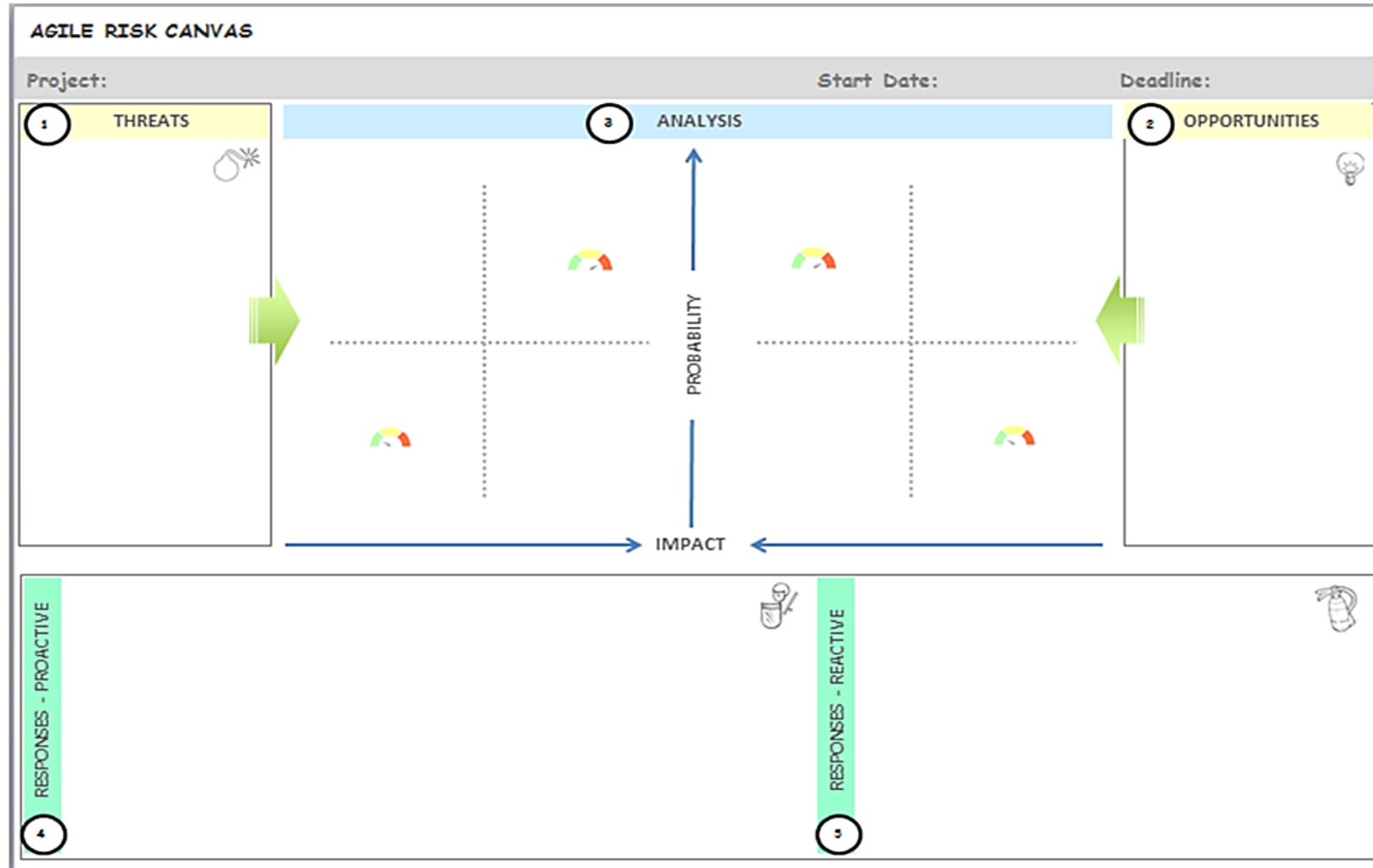


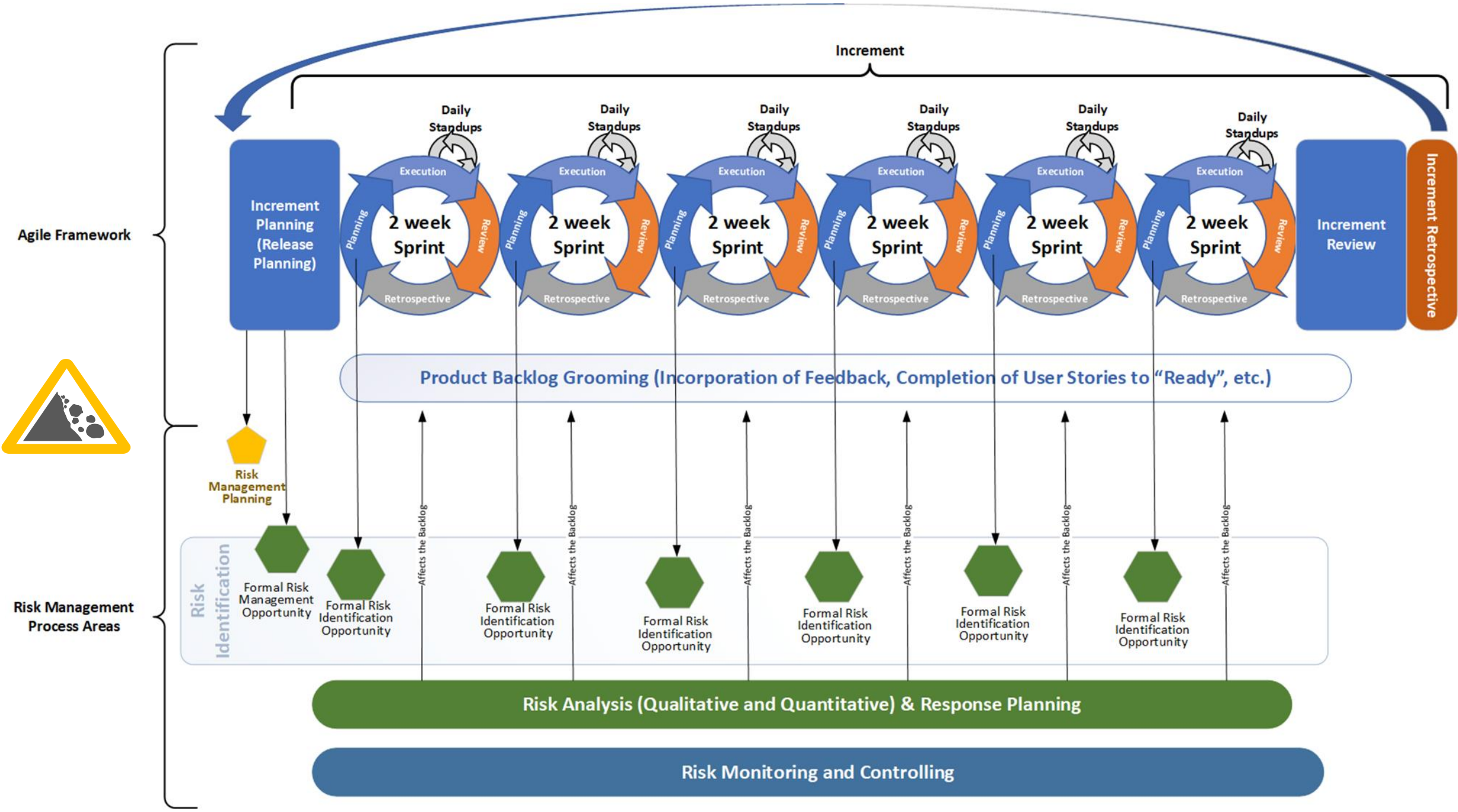
Iterative analysis ~~One analysis workshop~~





Iteration retrospective ~~Risk Monitoring~~





Agile Framework

Risk Management Process Areas

Increment

Increment Planning
(Release Planning)

2 week Sprint

2 week Sprint

2 week Sprint

2 week Sprint

2 week Sprint

2 week Sprint

Increment Review

Increment Retrospective

Product Backlog Grooming (Incorporation of Feedback, Completion of User Stories to "Ready", etc.)

Risk Identification

Formal Risk Management Opportunity

Formal Risk Identification Opportunity

Formal Risk Identification Opportunity

Formal Risk Identification Opportunity

Formal Risk Identification Opportunity

Formal Risk Identification Opportunity

Formal Risk Identification Opportunity

Risk Analysis (Qualitative and Quantitative) & Response Planning

Risk Monitoring and Controlling

Affects the Backlog

Affects the Backlog

Affects the Backlog

Affects the Backlog

Affects the Backlog

Affects the Backlog



Just for you!

5 actions to establish capabilities



Reset aspiration for risk management

Move risk from prevention and mitigation to dynamic strategic enablement and value creation



Establish agile risk-management practices

Authorize cross-functional teams to make rapid decisions in business, innovation, and risk management



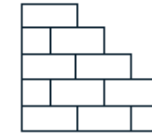
Harness power of data and analytics

Digitize transaction workflows; use data to expand view of risk characteristics; deploy algorithms to enable better error detection, more accurate predictions, and microsegmentation



Develop risk talent for future

Develop new capabilities and expanded domain knowledge to support full understanding of risk landscape



Fortify risk culture

Build true risk-culture ownership in front line; hold executives accountable for cultural failings; link risk culture with daily business activities and outcomes



Derisking AI

Companies need to build risk management directly into their AI initiatives, so that oversight is constant and concurrent with internal development and external provisioning of AI across the enterprise.

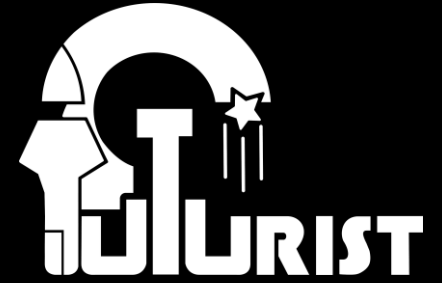




Risk Consultant engaged in the most difficult decisions, providing top management with perspectives and guidance on strategic business risks.

Risk Consultant

Agile Risk Management in **VUCA** World



Stay connected!

Prof Akram Hassan SME@PMI
akramkram@yahoo.com
+201014356420