



Risk Tips – Producing a Risk Lexicon

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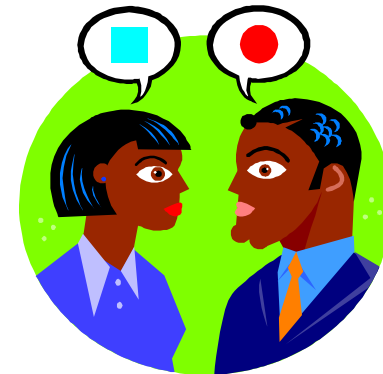
Why a Lexicon?

- - Improve Communication
 - Remove ambiguity and unnecessary
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Risk Lexicon Aims

- Provide precise and common definitions for the organisation
- Provide a language to deal with new concepts
- Reinforce good practice





Precise and common definitions

Contingency

- A amount of money allocated in P&L

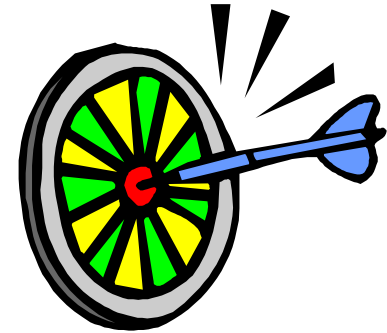
Fall back

- A ctions to be taken if a risk occurs

Exposure

E \$imate of money/time required

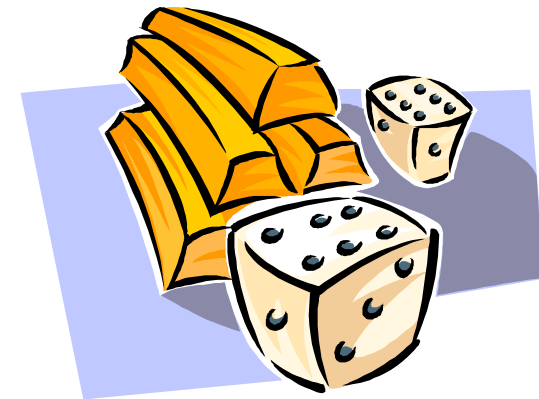
Cont ai n n e n t i n s t e a d o f M i t i g a t i o n





Concepts

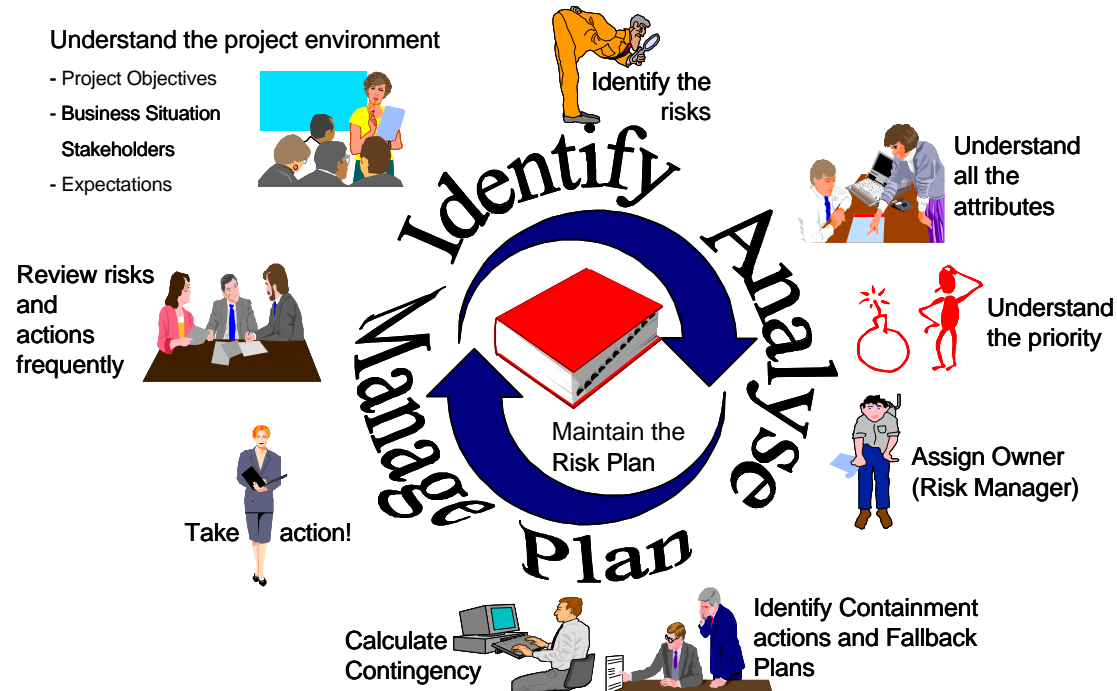
- Risk as threat and opportunity
 - Threat/Opportunity
 - Containment/Promotion
 - Fallback/Exploitation
- Currency or Time Window





Good Practice

Risk Process





Issues

- Where to stop!
 - PM terminology, Financial terms
 - Role definitions
 - Detailed descriptions of processes or tools
- Maintenance and version control
 - Nominated editor or authority



Benefits

- Provides a definitive reference source
- Helps consistency of Risk materials incl. Processes, Training and Tools
- Identifies imprecise or overworked terms
- Helps to clarify risk concepts
- Stimulates discussion and debate