

RISC-IQ™: Risk Integrated With Schedule and Cost—Intelligent Quantification

Cost estimating and scheduling problems frequently force program managers to choose between overruns or scaled-back requirements. These problems have long affected timely delivery of program capabilities. Today's funding limitations and decreasing technology refresh cycles leave no room for the overruns, schedule slips, or gaps in capabilities that can result from ineffective planning or ineffective risk mitigation.

Benefit From A Proven Leader: Booz Allen

The professionals at Booz Allen Hamilton, a strategy and technology consulting firm, have developed Risk Integrated With Schedule and Cost—Intelligent Quantification (RISC-IQ), a fully mature management capability. Drawing on our 90 years of program and project management experience, RISC-IQ employs an array of proven best practices that capitalize on and integrate traditional programmatic items, such as cost estimates, Work Breakdown Structure (WBS), schedules, risk assessments, technical requirements, and performance measures. Projects and programs are not “one size fits all,” and Booz Allen has the experience to tailor an approach that fits your needs and capitalizes on your previous investments.

Booz Allen's RISC-IQ Process Benefits and Unique Approach

Executed by experienced Booz Allen practitioners, RISC-IQ is an innovative approach to delivering integrated, actionable information for timely responses to vital questions, such as:

- Which technical solution should I use?
- Are my goals too aggressive?
- What is driving program cost?
- What is my risk exposure?
- Do I have adequate reserves?
- Which mitigation plans are the best?

Originally developed in response to cost and schedule growth trends in the space acquisition community, RISC-IQ provides benefits for a wide range of applications at the project, program, and portfolio levels. It is useful to view the RISC-IQ process as a three-phased approach. Each phase has its own benefits and provides a foundation for follow-on efforts.

- **Risk Process Enhancement:** Booz Allen staff work closely with technical and programmatic decision makers to develop quantitative risk impact definitions that align with the program's risk tolerance levels. These definitions ensure the leadership's guidance is communicated to all program staff and replace subjective risk scoring practices with “facts based” scores that can be tested for validity.
- **Risk Impact Analysis:** Our professionals map risks to program activities and cost accounts through the WBS. WBS mapping provides a concise way to demonstrate where risks are grouped—highlighting both where additional attention should be focused because of a large concentration of risks and where the absence of identified risks may warrant further investigation. WBS mapping allows for quantitative analysis of risk impacts on cost and schedule baselines. It also provides a way to map risks to schedule tasks and cost accounts, improving both analysis and communication. Finally, mapping imposes structure that allows for a direct comparison to previous baselines as the program matures.

About Booz Allen

Booz Allen Hamilton has been at the forefront of management consulting for businesses and governments for more than 90 years. Providing consulting services in strategy, operations, organization and change, and information technology, Booz Allen is the one firm that helps clients solve their toughest problems, working by their side to help them achieve their missions. Booz Allen is committed to delivering results that endure.

For more information contact

Michael Lopez
Senior Associate
310/297-2111
lopez_michael@bah.com

Tweed Ross
Associate
719/322-5195
ross_tweed@bah.com

www.boozallen.com

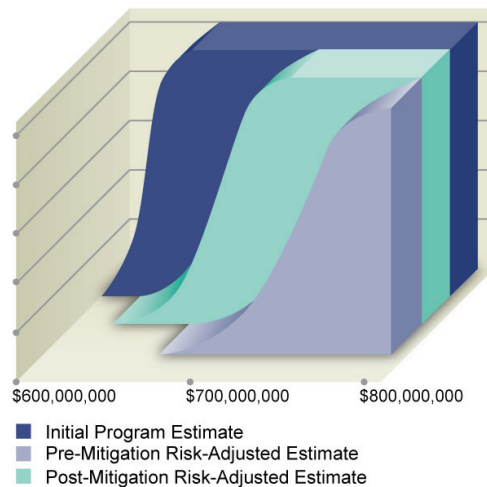
RISC-IQ™: Risk Integrated With Schedule and Cost—Intelligent Quantification

- **Mitigation Effectiveness Analysis:** Booz Allen develops and rigorously compares mitigation plans to determine their effectiveness in reducing overall risk exposure. This analysis ensures mitigation resources are applied optimally to reduce program risk exposure most effectively.

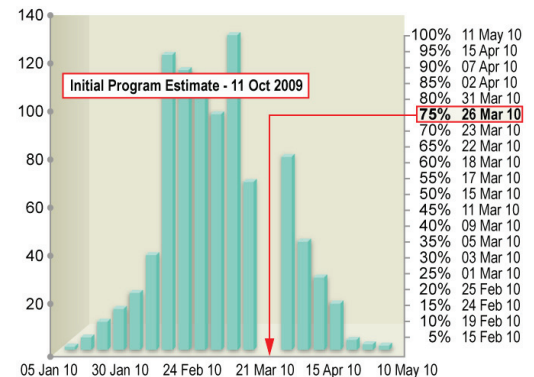
Program and project managers are often overwhelmed by an abundance of data when what they truly need is actionable information. RISC-IQ process outputs adapt to a wide array of presentation and analysis formats to provide ease of comprehension and enhanced decision-making ability. Booz Allen has used products such as Risk Adjusted Cost (RAC), Risk Adjusted Schedule (RAS), and Sensitivity Analysis successfully for our clients.

The RAC displays, in a concise format, the uncertainty in a program's initial cost estimate, the impact of a risk, and the benefits of mitigation. The RAS provides an assessment of likely program delivery dates using both before and after risk mitigation. Sensitivity Analysis—both cost and schedule—identifies the program elements or activities that risk affects most and that are therefore critical management focus areas.

Risk-Adjusted Cost (RAC)



Risk-Adjusted Schedule (RAS)



Booz Allen has successfully applied RISC-IQ at all stages of a program's lifecycle. When used as a diagnostic tool, RISC-IQ can provide insight into a program's overall health. When applied as a life-cycle process, RISC-IQ is a best-practice risk management approach that meets all program phases, from development to sustainment. RISC-IQ can also be applied in enterprise or portfolio analysis to view the business performance of a group of programs to highlight systemic strengths, weaknesses, and risks, therefore maximizing opportunities for high returns on investment.

Representative Market Engagements

- Air Force Space and Missile System Center
- Defense Financial Organization
- Military Aerospace Advanced Systems Center
- Major Command Advanced Projects