

# Changing Oracle Project Management from Good to Great

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# What is Risk?

- Risk is the recognition that a problem has the potential to occur.
- Negative risks are events, that if realized, may be problematic to the expected outcome of the project.
- Positive risks, if maximized, may actually improve the value-add proposition for a project.
- Analyzing risk impact and defining response strategies are the key components of changing Oracle project management from good to great.

# Risk Management Planning

- Building a risk management plan starts by identifying the “who”, the “what” and the “how.”
- Who should participate in risk management planning?
- What are sources of potential risks?
- How should risks be categorized?

# Risk Management Planning

- The approach for developing a risk management plan is consistent: Identification, Analysis and Response.
- Lack of risk management is in itself a risk to a project.

*Tip: Great Oracle Project Managers always remember risk management is part of the project which has many competing project priorities. In other words, they do not allow risk management planning to become the project.*

# Risk Management Planning

- A risk common to all type of projects is organizational change management. A great Oracle Project Manager is mindful that change is not always well embraced and can create elements of risk.

*Tip: A great Oracle Project Manager knows what the organization's stakeholders tolerances are for risk, and develops a risk management plan in keeping with the organization's strategic direction.*

# Risk Identification

- An organization's historical performance for similar Oracle projects is a great source of risk identification. This is an example of the risk identification tool called Checklist Analysis.
- Oracle Metalink is not just an issue reporting tool, it is also an issue identification source. This is an example of documentations review, a risk identification tool.
- Don't assume to have all of the answers. Allow and encourage out of the box thinking during risk identification but be as specific as possible.

# Risk Identification

- Use SWOT Analysis for Risk Identification
  - S = Strengths
  - W = Weaknesses
  - O = Opportunities
  - T = Threats
- Don't assume all risks have been identified. Risk identification will evolve and mature as the project progresses.

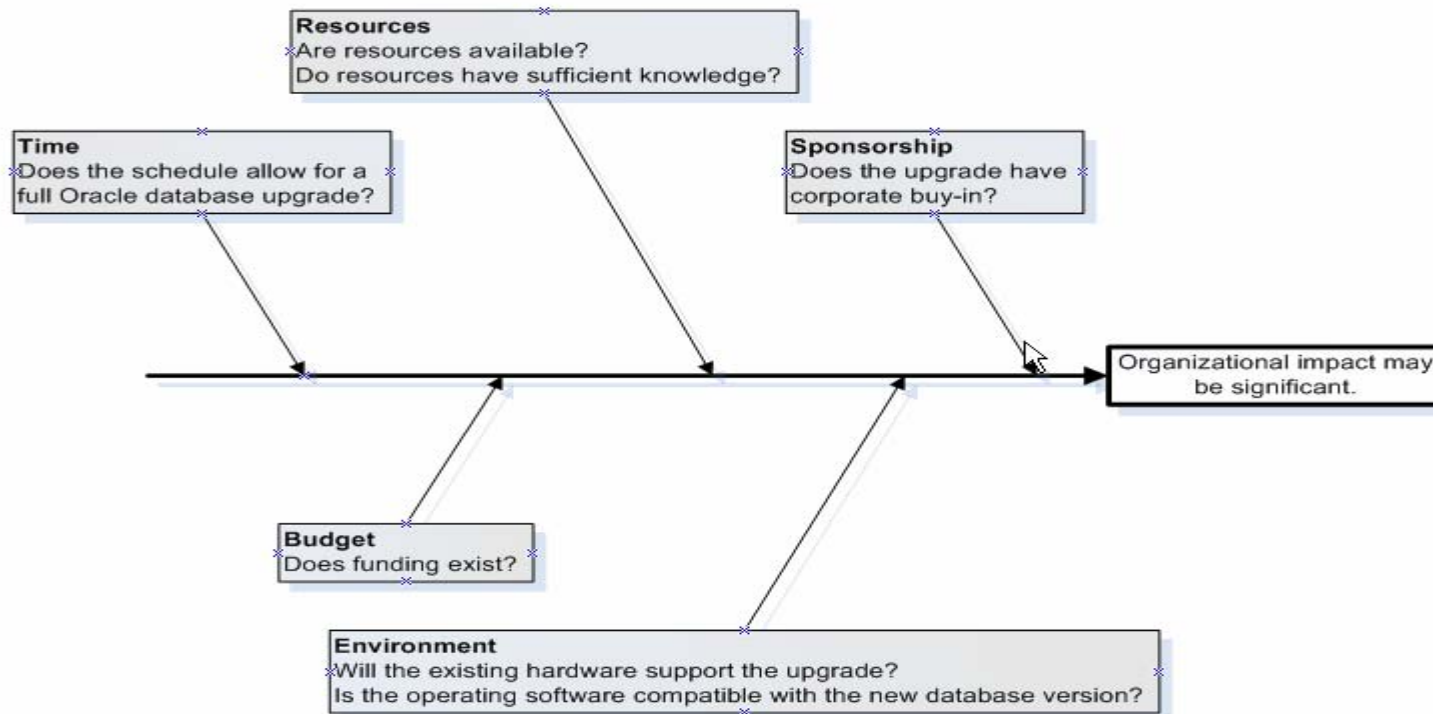
*Tip: A great Oracle Project Manager is always on the lookout for risk.*

# Risk Identification

- Diagramming techniques such as cause and effect diagrams, process flow charts and influence diagrams are all visual aids that help with identifying the origins of risk.



# Risk Identification



# Risk Identification

- Categorizing risks based on their origin can help gauge their impact to the project.

Category	Technical	Functional	Business	Schedule
Hardware	√			
Operating Software	√			
Database	√			
Oracle Applications		√		
Development		√		
People			√	
Requirements			√	
Budget			√	
Delays				√

# Risk Identification

Category	Definition
<b>Hardware</b>	Availability, Compatibility, Configuration Management, Maintenance and Support Agreements, Disaster Recovery
<b>Operating Software</b>	Software Version Compatibility, Software Licenses, Software Maintenance and Support Agreements
<b>Database</b>	Oracle Database Version Compatibility, Oracle Database Configuration Management, Sizing and Tuning, Back-Up and Recovery, Replication, Oracle Database Licenses
<b>Oracle Applications</b>	Oracle Applications Version Compatibility, Oracle Applications Licenses Configuration Management, Set-Up, Applications Issues, Seed Data, Applications Testing
<b>Development</b>	Custom Development Issues, Custom Development Integration, Custom Development Configuration Management, 3 <sup>rd</sup> Party Interfaces, Custom Development Testing

# Risk Identification

Category	Examples
<b>People</b>	Resource Availability, Resource Skill Sets, Sponsorship, Stakeholder Influence 3 <sup>rd</sup> Party Vendors, Communication, Organization Change Management, Training
<b>Requirements</b>	Requirements Definition, Business Process Re-Engineering, Scope Creep Change Management Process
<b>Budget</b>	Funding Availability, Procurement, 3 <sup>rd</sup> Party Contract Negotiations
<b>Delays</b>	Competing Project Priorities, Deployment, Project versus Program Management

# Risk Analysis

Risk analysis asks the who, what and how questions.

- Who should analyze the risk?
- What could occur?
- What is the impact if it does occur?
- What is the contingency if it does occur?
- How probable is it that it will occur?
- How can the risk be mitigated to reduce the probability of occurring or enhanced to increase the probability of occurring?

# Risk Analysis

- Qualitative analysis is the subjective ranking of risk for impact and probability of occurrence.

*Tip: A great Oracle Project Manager knows qualitative risk analysis is subjective and often influenced by other stakeholders, i.e., the CEO believes this problem could never happen so ranks it low. An Oracle Project Manager evaluates risk based on quality of data not personnel preferences.*

# Risk Analysis

- Quantitative analysis is the numerical analysis of the risk and probability.
- The time required to diagnose a problem cannot be estimated in advance. To avoid last minute panic, plan both resources and time for root cause analysis.

# Risk Analysis

- Project managers make decisions under uncertainty. Great Oracle Project Managers recognize this and use tools to help remove or diminish elements of uncertainty.  
  
Analytical Tools: Expected Monetary Value (EMV), Monte Carlo Analysis, Probability Distribution, Decision Tree Analysis, and Probability and Impact Index.
- Most projects will use a tool based on the Oracle Project Manager's recommendation after careful analysis of what is the best fit for the project.



# Risk Analysis

- What is probability? By definition, the likelihood that a problem may occur.

Index	Definition
<b>1 – Low</b>	Not expected to occur or occurs infrequently
<b>2 – Medium</b>	Not expected to occur or occurs frequently enough to be monitored
<b>3 – High</b>	Expected to occur
<b>4 - Critical</b>	Occurs more frequently than expected

# Risk Analysis

- What is impact? By definition, impact is a numeric assessment the impact of the problem will have on the project if it occurs.

Index	Definition
<b>1 – Low</b>	Insignificant impact
<b>2 – Medium</b>	Insignificant impact that requires mitigation
<b>3 – High</b>	Significant impact that requires mitigation
<b>4 - Critical</b>	Significant impact that requires immediate mitigation

# Risk Analysis

- The product of multiplying the Probability Index by the Impact Index is the Project Risk Exposure. Using a dashboard ranking is useful for prioritizing risks.

	Impact			
Probability	1 – Low	2 – Medium	3 – High	4 - Critical
1 – Low	1	2	3	4
2 – Medium	2	4	6	8
3 – High	3	6	9	12
4 - Critical	4	8	12	16

# Risk Response

- Not all identified risks require a response.
- Key to risk response is knowing if the risk is a threat or opportunity
- A great Oracle Project Manager can passively accept a risk, in other words, do nothing and allow it to happen, or actively accept the risk and develop responses.

# Risk Response

- Avoid, mitigate and transfer are strategies for responding to negative risks.

Response	Example
<b>Avoid</b>	Take action to prevent the risk from occurring.
<b>Mitigate</b>	Accept the risk may occur and take steps to lessen its probability and / or impact
<b>Transfer</b>	Assign the risk to a 3 <sup>rd</sup> party.

# Risk Response

- Exploit, share and enhance are strategies for responding to positive risks.

Response	Example
<b>Exploit</b>	Take action to make the risk occur which in turn may bring positive impact to the project.
<b>Share</b>	Share the risk with a 3 <sup>rd</sup> party, again for the purpose of taking advantage of an opportunity to improve the project's outcome.
<b>Enhance</b>	Help the risk occur but taking steps to increase its probability and / or impact.

# Risk Monitoring

- Rank risks using the probability and impact index as your starting point.
- Develop mitigation strategies for the medium and high risks. Remember high risks first.
- Ask yourself if the effectiveness of your strategies pass the reasonability factor or do they need to be re-visited?

# Risk Monitoring

- Look for risk cues, i.e., those subtle or not so subtle hints an event may occur or has occurred. If you do not recognize the cues, a risk may quietly materialize and, despite good contingencies, affect the project.

*Tip: Great Oracle Project Managers know risks should have assigned owners. Individuals responsible for monitoring risks and reporting status to the project team. Risk owners are also typically responsible for assessing probability and impact and developing responses.*



# Risk Monitoring

- The risk registry is a very important result of risk management identification and qualitative and quantitative analysis. The risk registry is the tool for tracking, monitoring and controlling risks. It should be included in every Oracle Project Manager's status report, reviewed and updated regularly. The risk registry tracks updates to risks, which in turn impacts risk response planning.

# Risk Monitoring

Risk Owner	Dashboard	Category	P	I	E	Description	Mitigation / Contingency
Engineer	Technical	Hardware	2	3	6	Hardware delivery is delayed. Impacts performance testing.	Evaluate impact, adjust schedule and determine next steps.
Sys Admin	Technical	Operating Software	2	3	6	A service pack is not compatible with the Oracle database version	Can another version of the Oracle database be used? Is the service pack required?
DBA	Technical	Database	4	1	4	Forms errors are being experienced . Impacts module navigation	Recompile the APPS schema. Regenerate forms and libraries Relink forms
BA	Functional	Application	2	3	6	Month end report generation consumes printers.	Create Concurrent Request Set and schedule for non-peak hours.
Developer	Functional	Development	3	3	9	UAT is incomplete for the 3 <sup>rd</sup> party interface to Oracle Payroll.	Work with the vendor to complete testing.
Sponsor	Business	People	3	4	12	Tasks are behind schedule.	Re-assess resource allocation for critical path tasks and / or crash the schedule.

# Risk Monitoring

Risk Owner	Dashboard	Category	P	I	E	Description	Mitigation / Contingency
BA	Business	Requirements	4	4	16	Scope creep may occur because new stakeholders have been added that have not reviewed the requirements.	Define a change management process. Assign a Change Control Manager to manage change requests.
Sponsor	Business	Budget	2	4	8	Funding may be exhausted if the project extends beyond the scheduled completion date, which aligns with the end of the fiscal calendar.	Establish budget contingency reserves.
PM	Schedule	Delays	2	3	6	Inclement weather may impact end user travel to centralized training location.	Identify regional training locations as a contingency.

# Conclusion

- Changing Oracle project management from good to great requires a risk management plan for the Identification, Analysis and Response to project risks.
- Build a plan that constantly manages to minimize the impact of negative risks and to maximize positive risks.
- Risk response is the informed development of mitigation strategies and contingency plans to address high and medium risks.

# Questions

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