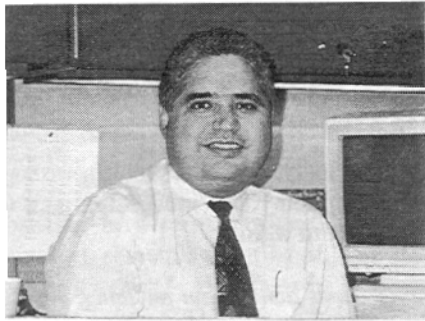




RM Champion

Interview with Rene Salazar



Risk management (RM) is a risky subject to tackle but Rene Salazar recently made talking about risk a lot easier. He worked with an AFMC RM team to simplify RM, disseminate RM concepts, and provide a tool for making smarter decisions. Rene's contribution to the SPO team addressing RM draws from a background of making solid technical decisions. He says, "RM is the way I've always done business and I enjoy the RM process!" One of his former employers, Mr. Ernest Camargo, always told Rene when he had a problem with a project and needed some answers, "Before you come to my office to ask a question or need a decision made, don't enter until you have answers to your questions! Give me at least three answers/options to every question. Questions are no good without answers. You're closer to the problem so you tell me what the answers are." Rene learned to ask everyone else first before even entering Mr. Camargo's office. After awhile on the job, Rene began to realize he didn't need to ask as many questions because the little effort he spent to find some answers basically helped to select the right answer/option. This was a proactive approach for RM by identifying risks and options/alternatives to mitigate them. This attitude carried over to all his projects and future jobs. Rene's technical background also offers significant resources to the SPO.

"Questions are no good without answers."

Rene is a native of San Antonio but spent about five years working in Dallas on a challenging job with Refraction Technology as a design engineer for computer analysis in oil exploration. In 1987 he returned to San Antonio for a job in the Automatic Test Systems division at the Kelly AFB laboratory. The lab was organized as a technology insertion center for advanced diagnostics specializing in application specific integrated circuits (ASICs) and thermal imagery. He came to the SPO at Brooks AFB in 1991 to work on various programs and eventually the Maintenance Skills Tutor (MSTA) program. He is pursuing a Master's Degree at St Mary's in electrical engineering with a focus on digital image and speech processing.

From his experience with RM at Kelly (maintenance) and YAER, Rene assessed lessons learned for valuable inputs to the AFMC Risk Management Plan (RMP). Working with Dr. Lowell Black from AFMC/EN, Rene developed a down-to-earth concept of RM and was asked by AFMC to brief the Space & Missile Center at Los Angeles. MST is a pilot program for implementing RM and provides a feedback to Dr. Black for updating the RMP. Rene has cultivated the following RM key philosophies:

Create a baseline understanding of RM for all levels of personnel & mgmt (e.g., PM, Eng., Div, SPD)

** Generate numerous proactive options for ALL risks*

** Limit RM formal structure - Tweak for different orgs/functions within SPO*

** Strive to apply RM daily through IWSM and TQM*

The first key to make RM work is to decide what to measure and how it would be measured. Then emphasize tracking program baseline details to see the effect of RM. An ongoing problem with RM is how to be objective instead of subjective. The choice of red, yellow, or green on a baseline assessment is a subjective measure of program risk depending on the wisdom, functional views, or bias of the evaluator. Guidance from engineering management and strong user involvement will help to standardize objective RM parameters.

A recent edition of the SPO RMP clarified two parameters used to assign a risk number from 1 to 10. Likelihood (.1 to 1) multiplied by Impact (1 to 10) gives an overall risk number the IPT can use to evaluate program options. A linear division of overall risk into low, medium, and high categories could allow a false confidence for some combinations of likelihood and impact. For example a likelihood of 0.8 (high) and an impact of 8 (high) would indicate an overall risk of 6.4 (medium). Therefore, YAE settled on a non-linear overall risk scale to compensate for marginal inputs. Unfortunately, likelihood is still somewhat subjective since probability of occurrence is not statistical without a data base of similar conditions. Also, probability is only useful when considering a large sample group. Once something happens to MY program (e.g., MST), it's 100% likely and I have to do something about it. Impact is by far the most important parameter when evaluating risk. Consider the risk of falling for a tightrope walker. Suppose one out of ten walkers of medium skill fall:

improbable
more actual



T

Case Study



Revision, 15 Nov 93

Team of reservation software designed to permit better customer tracking and service.

When you gave your people a chance to handle some practice calls with the new software, they all seemed proficient, and the new reports were considerably more useful. It seemed to be a notable case of things going the way you planned, and you wrote a nice thank-you note to the trainer.

Today, however, was the first day of permanently replacing the old program with the new, and you received a rude surprise. Rex Burton, who has always been a satisfactory if uninspired employee, entered your office first thing and announced, "There's something wrong with the computer - the regular program is gone."

"That's right," you said. "Today's the day we're switching over, just like we've been talking about." "You said the new program was coming on line," Rex replied, his face growing pale. "But you didn't say the old one would disappear. As calmly as possible, you asked, "Is that going to be a problem?"

Rex swallowed hard, then admitted he never learned the new program. He found it difficult to pick up, and since he thought he could still use the old one, he didn't think it was worth calling anyone's attention to his difficulties.

He got past the test reports by using the old program and adjusting the format to match the new one. It took a lot longer, but he'd been getting better at it - and he thought he'd be able to keep doing just fine.

You listened patiently to this explanation. Now what do you do?

See page 2 for the option selected by a panel of "experts."

A. Fire Rex for gross neglect of basic job duties.

B. Ask your proficient employees to re-train Rex, rewarding them while giving him a close, firm deadline for proficiency and establishing the consequences of failure.

C. Let Rex continue working on the old program while gradually getting up to speed on the new one.

D. Insist that the original trainer return and give Rex the instruction he needs.

E. Ask Rex what he thinks it will take for him to learn the new program as soon as possible, and develop a plan that includes deadlines and consequences.

"Between a Rock and a Workplace," is an ongoing series of stories about people caught in on-the-job dilemmas broadcast nationally on American Public Radio's *Marketplace*. On KSTX (89.1 FM), every other Monday from 1830 to 1900, you can hear the editor of *Practical Supervision*, Mark Gozonsky, spin changeagents of workplace peril, then rate the rescues listeners propose - adding a few choice comments of his own.



Temperature Wars

Ever had those days when your office seems to rapidly fluctuate between volcanic fireball and Arctic wasteland? Most likely it's because several people are trying to control the thermostat. Temperature gradients are also created by the natural dissipation of ducted air from one end of a room to the other. There is a partial solution in sight. Managers for the new building have ordered lock boxes for the thermostats. Someone will still have to cycle between heat and cool but central control should eliminate the wild fluctuations.

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(Continued from Page 1)

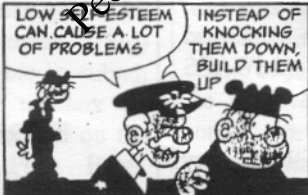
One RM improvement the SPO recently implemented was to include all functionals' (e.g., YAL, YAK, YAE) assessment of risk that gives a broader perspective. Rene acts as a reality filter for system risks on his program. His role as systems engineer on a program is to assess all technical aspects of risk and work with program management and the functional areas to ensure risks are agreed to at all levels and the risks are more objectively defined. The team as a whole comes to an agreement of what are high risks and what are not. The cumulative effect of several low risks could affect cost, schedule, and performance as much or more than a high risk. After a RMP was implemented in MST (Jun 91) Rene has notice and is It's m devel before it inst contro contro



What is a Credential?

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BEETLE BAILEY



BY MORT WALKER

