



## White Paper 2015-01

### ORSIPARM An Easy-to-Remember Acronym for Project Opportunity and Risk Management

*In order to give Project Opportunity and Risk practitioners an easy-to-remember acronym to describe the most salient features of an effective process, we have devised the mnemonics ORSIPARM, for Opportunities & Risks, Scanning, Identification, Prioritization, Action, Reserves and Monitoring. This White Paper explains in detail the significance of this acronym.*

The acronym ORSIPARM can be used by all practitioners as a mnemonic device to describe the Project Opportunity and Risk process, and as a constant reminder of the key messages we deliver in our risk consultancies and in our new Project Risk handbook.

The acronym stands for Opportunities & Risks – Scanning – Identification – Prioritization – Action – Reserves – Monitoring, in short ORSIPARM.

#### Objectives of Project Opportunity and Risk Management

Before going into the details of the signification of this acronym it is worth remember the main objectives of the Project Opportunities and Risk Management process:

- Identifying as many Opportunities and Risks as possible to establish a widest possible description of the Known-Unknowns (there will always be Unknown-Unknowns as in any human venture) and minimize surprises,
- Enabling effective action taking by the Project Manager to mitigate Risks and enhance Opportunities as much as possible,
- Providing the project with a proper level of reserves and increasing the resilience of the project execution plan.

#### The ORSIPARM acronym

- We mention consciously about “Opportunities & Risks” (OR), and not the more usual “Risks & Opportunities”, as a reminder that when it comes to brainstorming, or just life decisions, psychological rules dictate that Opportunities be brainstormed and considered first. Otherwise, the downside of Risk will take the best and it will be extremely difficult to figure out Opportunities out of the current situation,
- Scanning constantly the Project environment for getting a good picture of the situation, and changes or evidence of an upcoming storm, is essential and a preliminary to any identification and prioritization. It seems self-evident, still continuous scanning of the project environment at all time during project shaping and execution is a must,

- The effectiveness of any Opportunity & Risk management process then relies on a three-step process:

- Widest possible Identification of Opportunities and Risks in the environment of the Project; both to verbalize what we observe and to increase the universe of ‘known unknowns’. In this process we name and describe Threats and Events that have been identified during the scanning phase,

- Subsequent ruthless Prioritization, with the aim to diminish the number of top priority Opportunities and Risks to a manageable number. This is a fundamental step to ensure the future effectiveness of action-taking,
- Definition of a limited number of Actions that will really be implemented and tracked – which is the ultimate objective of the process. Those actions need to be SMART (specific, measureable, achievable, relevant and time-defined) and owned by Project team members.

- To deal both with ‘Known Unknowns’ and most ‘Unknown Unknowns’, in the face of complexity, the Project needs to keep Reserves available (cost contingency and schedule float). These reserves should only be used with the consent of the Project Manager or its hierarchy. The ‘R’ can also be a reminder for Resilience, which is the prime characteristic that should be sought when performing schedule statistical analysis, or more generally, when devising Project execution plans,
- Monitoring all those Opportunities and Risks we have already identified but not considered a priority to check they do not change to become critical is an important activity that needs to be performed continuously during Project execution,
- Using this acronym aims at reminding Project Risk practitioners that all these different steps are critical in establishing an Opportunity and Risk management process that really works for the benefit of the Project and of the organization. In particular, the steps of Scanning and Monitoring as sometimes overseen whereas they play a very important role in keeping at all times an accurate picture of the Opportunities and Risks surrounding the project, in an environment that might fluctuate.

**The objective of the Opportunity and Risk management process is timely decision-taking by the Project Manager**

## Summary

ORSIPARM is a powerful mnemonics of the different steps that need to be followed when it comes to Project Opportunity and Risk management. It can be used to remember to cover all the necessary aspects, in particular some that might be overseen sometimes in the dynamics of project execution.

We will develop a number of aspects covered by this acronym in a series of White Papers over the next few weeks:

- Why Opportunities before Risks?
- Why such emphasis on prioritization?
- How to size and manage reserves properly?
- Why and how to monitor opportunities and risks?
- Etc.

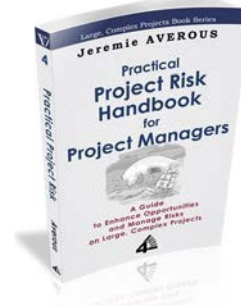
**Opportunities & Risks –  
Scanning – Identification –  
Prioritization – Action –  
Reserves – Monitoring.**

**The Basics.**

***Find all these principles of Project Opportunity and Risk exposed in a comprehensive manner in our new Handbook,***

**[Practical Project Risk Handbook for Project Managers](#)**

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