

Strategic Assumption Analysis (SAA)

A rapid, light touch way of identifying key risks

An increasing shift towards hybrid and remote working, together with a requirement for faster insights, calls for an updated approach to risk analysis

Programme managers have always wanted a rapid and robust insight into the predictability of their programmes and projects. Now, with changes in work patterns following the pandemic, leaders are looking for an even faster but equally reliable and action-orientated methodology to deliver key insights, without the need to get key stakeholders face-to-face around the table.

The answer lies within De-RISK's successful SDA (Strategic Delivery Assurance). A core element is successfully employed as a standalone process to identify the key assumptions which represent the root-causes behind the greatest risks. Identification and cross-communication of key assumptions means that risks are avoided or managed proactively and project objectives are subsequently delivered on time.

Strategic Assumption Analysis (SAA) uses structured techniques to analyse project plans to identify those key risks which are critical to manage for the programme to succeed.

PROGRAMME LEADERSHIP CAN RELY ON SAA TO:

- Shine a spotlight on the key risks, many of which will not have been identified to date
- Unblock time or budget challenges; a focus on the strategic assumptions can help highlight critical pinch points, leading to pro-active risk management or opportunities to do things faster
- Ensure that all stakeholders are on the same page



SAA: FAST RESULTS IN MANAGING RISKS AND OPENING DOORS TO MORE POTENTIAL

SAA supports programme leadership with awareness and control of the key assumptions inherent in plans that need to happen in order to succeed. This means

- 1. The assumptions that underpin the objectives are clearly identified and communicated
- 2. The implicit assumptions being made by programme stakeholders are made explicit, rated and communicated
- 3. Mitigating actions are clear and prioritised, allowing leadership, supported by strategic partners, to outline the next steps and even mini-projects required to get back on track or to grasp new opportunities.

"SAA is having a profound effect on the management of projects in the post-COVID world. The best time to do it is yesterday. The next best is today..."

Keith Baxter, Managing Director, De-RISK

STRATEGIC RISK MANAGEMENT

By applying SAA, there are several strategic mitigations that may occur in addition to the specific action plans eg:

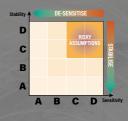
- Designing out risk up-front by pro-actively redefining/reducing scope early rather than waiting for the impacts and inevitable disappointments
- · Forcing individuals to face up to the risks early rather than looking for someone else to blame and protecting their own role
- Formal project prioritisation that ensures that only the most important projects are progressed that satisfy the organisation's strategic objectives
- · Allocating key resources to the right projects from the beginning and avoiding spreading resources too thinly or the projects shouting loudest getting all the resources

SAA is a light-touch, rapid approach that has been effectively applied to traditional "waterfall" project management and Agile style approaches - and hybrids of both approaches.

HOW DOES IT WORK?

Through a series of rigorously structured (on-line) interviews the key strategic assumptions - those key things in the project that need to happen in order for it to succeed - are captured and rated for Sensitivity and Stability on a ABCD scale; where A is always "good" and D is always "bad". This already provides a meaningful assessment on each assumption because there is no easy option of "medium" due to the 4-point scales.

These assumptions are then cross-communicated by a facilitator to pick-up mismatches of expectations and understanding. In the best case, the team end up being all on the same page and in the "worst" case, critical risks (and opportunities) are identified that would never have been identified by traditional risk management approaches.



The results also guide mitigation plans by indicating how best to attack the risk (i.e. stabilise the underlying assumption or desensitise the project to the effects of the assumption).

