



Info Alert

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Navy Acquisition Reform Office Targets Risk Management

The Department of the Navy (DON) Acquisition Reform Office (ARO) has four on-going initiatives to help the DON acquisition community understand and implement risk management. They are: public forums, a web-based risk management portal, expert consultation, and identification of best practices.

Risk is inherent in any acquisition program. Therefore, it is essential for program managers to take action to identify, assess, manage and control risk. It is even more important as acquisition reform efforts deliver increased flexibility to program managers in executing their programs. In addition, risk is an issue throughout the life cycle of weapon and combat systems. Program managers must address risk and risk mitigation in a number of venues, e.g., the Acquisition Strategy at each program milestone, the Integrated Logistic Assessment program, and the Acquisition Program Baselines (APB). Risk is usually addressed in terms of impact on cost, schedule, and technical performance. The areas of an acquisition program where risk typically should be assessed include:

- Contracting and source selection
- Cost and schedule
- Environmental, health, and safety
- Manufacturing
- Software acquisition
- Technical

Breakout Sessions. The first initiative is free public forums or Breakout Sessions. Breakout Sessions are held throughout the US. Included is a Session on the importance of risk management to the Navy. These sessions focus on the Navy's approach to Risk Management, documented in the publication: "Top Eleven Ways to Manage Technical Risk," sponsored by the ASN(RD&A) Acquisition and Business Management Office. The Risk Management Breakout Sessions cover establishing and carrying out a risk management program. Four DON activities requested Risk Management Breakout Sessions in 2000 and, to date, nine have scheduled this session in 2001. To find out about attending one of the scheduled sessions visit the Events section of the ARO web site. To schedule a session in your area, contact Michele Cuffee, mcuffee@ar.navy.mil.

We're on the web at www.ar.navy.mil

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Risk Management Central. The second ARO focus—Risk Management Central—is a one-stop risk management information center on the ARO web site. The section provides a broad range of risk management information at the desktop. Visit <http://www.ar.navy.mil/risk> to find more than 40 links to risk management tools, guidance documents, training sources, and related websites.

This repository provides a brief description of each risk management link to assist users in understanding the purpose and content of the document or link. Included are Risk Management Guides by DoD (broad coverage), ASN (RD&A)ABM (Acquisition and Business Management (technical risk), and NAVAIR (contracting and source selection). Risk Management Central is organized to assist users in finding resources appropriate to their needs. New resources and risk areas will be added as they become available.



Program Assist Visits. The third activity on the ARO risk management agenda is Program Assist Visits (PAVs). PAVs provide acquisition programs with hands-on support in implementing acquisition reform initiatives. Risk management is one of the acquisition areas where support is provided. It brings recognized long-time risk-management experts together with program offices to share their experience and offer confidential consultation. There is no cost to acquisition programs for this service. ARO has performed eight PAVs since FY00 that included a risk management concentration. Contact Mary Lawson-Hines, mlawson@ar.navy.mil if your program would like to learn more about this resource.

Best Practices. The fourth initiative is the continuing investigation into new risk management tools and success stories. ARO's risk management team investigates the best practices and tools within government and industry to add to the online Risk Management Central repository. ARO hosted the first information exchange, or forum, on January 10, 2001 for the purpose of sharing information on risk management tools. The following tools were presented:

- Risk Assessment Process (Naval Air Systems Command (NAVAIR))
- Interoperability and Integration Risk Assessment (Chief Engineer (CHENG), Assistant Secretary of the Navy for Research, Development & Acquisition)
- Software Risk Management (Integrated Computer Engineering, Inc.)*
- Risk Communications (NAVAIR)

There are plans to hold similar "show and tell" sessions in the future. Contact Les Tripp at ltripp@ar.navy.mil for more information.

*These products were presented for information purposes only and have not been endorsed or sponsored by the Department of the Navy or the Department of Defense.

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