

Waterfall Report

The waterfall report enables you to see at a glance, how effectively you are managing a risk (threat or opportunity) compared to your original mitigation or exploitation plan.

The chart represents the life of a single risk, from first approval to expiry. It shows planned and actual exposure to the risk over time, with the plot lines adjusted with each action.

In the example below, the Risk Manager is working to achieve a residual score of six, using three actions planned for March 2013, May 2014 and July 2015. The second action was completed ahead of time in April 2014 and reduced the score to eight, rather than nine as planned. But, action three is currently not expected to be as effective as hoped. The Risk Manager might therefore wish to assess whether to revise action three or to initiate additional actions.

Construction: Plot 1 Waterfall chart

For Threat Plot1__1T - Planning Approval delayed

The waterfall report shows the following:

Axes: The x-axis shows time from your chosen start date to expiry of the risk. You select whether the y-axis shows overall score, impact or probability (see details overleaf).

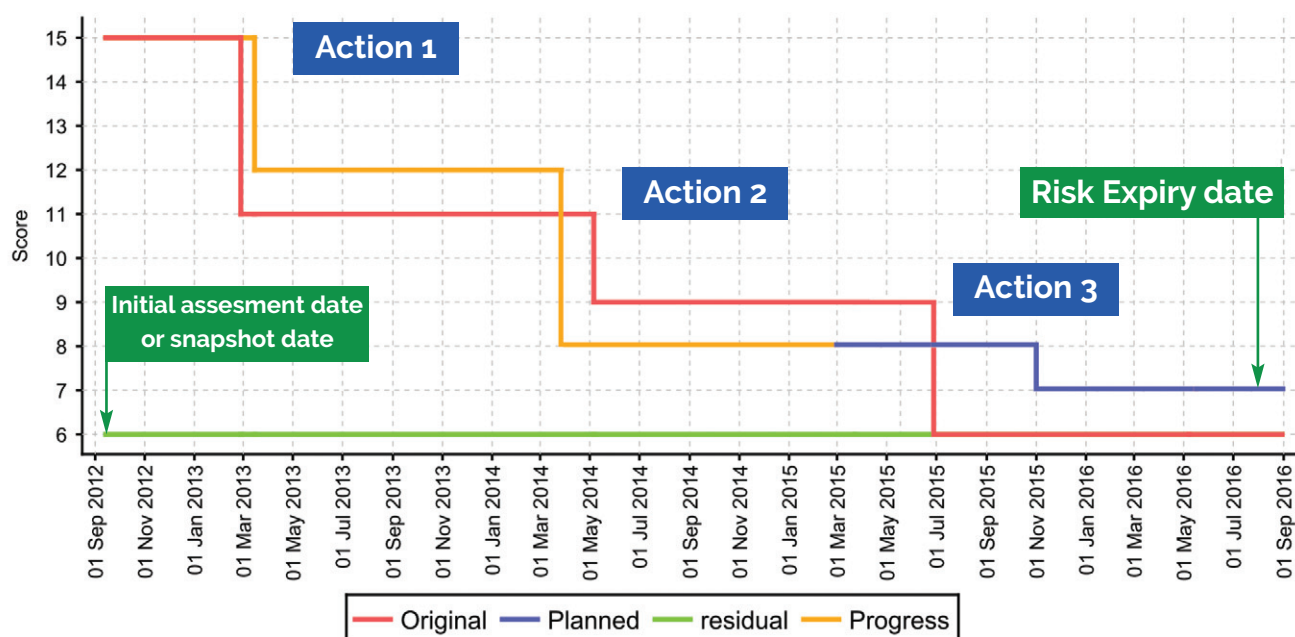
Original (red): shows the risk exposure forecasted at the Initial Assessment date, taking into account the expected effect of any approved mitigation actions.

The Initial Assessment date is the date the risk was first approved; alternatively, you can choose a Snapshot date (a date you have earmarked as being significant e.g. when the contract was awarded).

Progress (orange): shows the actual risk exposure assessment to date, from the Initial Assessment (or Snapshot) date. For this it uses Predict! Risk Controller's audit trail.

Planned (blue): continuing from the orange line, the blue line shows the forecast exposure based on the expected effect of future approved actions and their planned completion dates.

Residual (green): shows the residual assessment planned for the risk. This target risk exposure is the risk exposure that your organisation is willing to accept for this risk. The line shows any changes made to that assessment since the report's start date).



Insight: Waterfall Report

Options when running the report

Before running the report you tailor the report to your needs by selecting these options:

- ▶ **Scoring system** – used to calculate the risk scores, determine the impacts available, and how the highest impact is calculated
- ▶ **Measures** – these determine the y-axis and can be one of the following:
 - ▶ Overall score
 - ▶ Current probability
 - ▶ Impact
- ▶ **An impact** – e.g. cost, time, performance or whichever is highest
 - ▶ **Factored** (i.e. multiplied by probability) or unfactored.
 - ▶ **Units** e.g. £, £k, \$, hours, months etc.
 - ▶ **Start from date**
 - ▶ Initial Assessment – this is the date the risk is first approved.
 - ▶ Snapshot date, if the risk is in a Cluster that has Snapshots set.
 - ▶ **Data to use**
 - ▶ Most recent data
 - ▶ Last approved data
 - ▶ Specific date in the past or a Snapshot date (if used by Cluster)

Field Name	Explanation	Location
Risk		
Current Probability Current impact(s)	The current assessment of the risk's impact and probability	Risk Assessment tab, left-hand side
Residual Probability Residual Impact(s)	The target probability and impacts after all actions have been completed.	Risk Assessment tab, right-hand side
Expiry date	The date on which you have determined the risk can no longer impact. This is the end date on the waterfall chart.	Risk Assessment tab, left-hand expiry date
Date Accepted Date Approved	The waterfall chart only works against approved risks. The approval date is the start date for the waterfall chart (unless a Snapshot date is selected).	Risk Identification tab
Actions		
Date Accepted Date Approved	Only approved actions are included in the chart	Action Identification tab
Action step-down fields	Estimated impact and probability of the risk after each specific action has been completed.	Risk Response tab, Risk Waterfall section
Completion date	The date on which the action is due to be completed and the benefits gained.	Action Implementation tab, Actuals section

Notes:

- ▶ The report can't be run on risks with a Draft status – it requires the risk to have been approved.
- ▶ Terminology used in this document refer to the standard Predict! Risk Controller configuration. For example, where current or residual is used, your configuration may have been changed to use Pre- or Post-Mitigation.

Further help with these reports

If you'd like someone to talk you through how to set up or evaluate waterfall reports in your organisation, please contact the Risk Decisions Helpdesk.

UK, Europe & Americas – Tel: +44 (0)1865 718 666
Australia & Asia Pacific – Tel: +61 (0)2 8458 3353