

Risk Management



Pragma**Risk**

secure *your objectives*

Strategy, risk and objectives

“ A risk is a potential event that can prevent from reaching the objectives. ”



Risk threatens the objectives of any organization: project, company, corporation and local authorities.

Risk Management is a global approach focusing on all the objectives of an organization (however, Industrial Risk management is mainly focused on safety and environmental aspects).



PragmaRisk delivers solutions that allow you to define and implement a strategy for securing your objectives.

The Risk Management process

“ Risk Management should be **continuous, structured and integrated** into the project or organization management.. ”



Risk management Process
Structured and continuous

Key steps :

- Risk & Opportunity identification
- Criticality assessment to focus on key issues and success drivers.
- Definition, implementation and monitoring of mitigation plans
- Monitoring through reviews, management charts and key performance indicators.

Our approach covers **the whole range of issues** that an organization or project can face.



HSE

- Health
- Safety
- Environment
- Security
- Social



DESIGN

- Design Basis
- Norms, codes and standards
- Technology
- Engineering



EXECUTION

- Procurement and material management
- Fabrication
- Transport and logistic
- Construction
- Commissioning and start-up

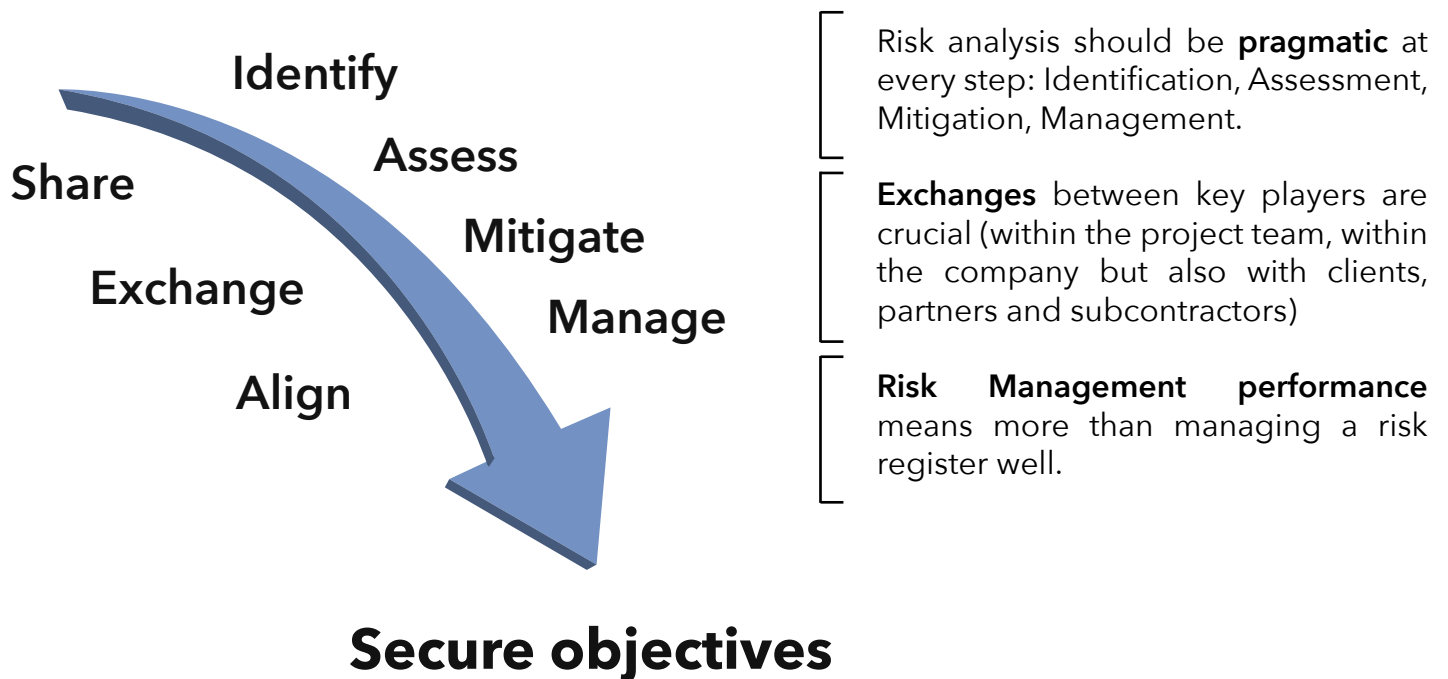


MANAGEMENT

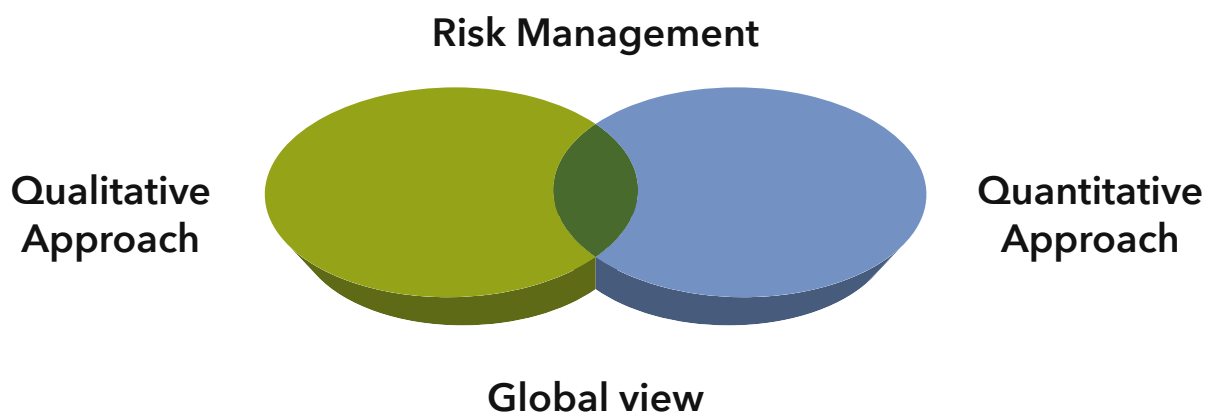
- Client
- Partners
- Economic et financial
- Contractual
- Delay

A global view

“ *PragmaRisk enhances a simple, operational Risk Management approach to provide value and support to the decision-making process in order to secure objectives.* ”



Our expertise: combining Risk Management with **Quantitative Risk Assessment**

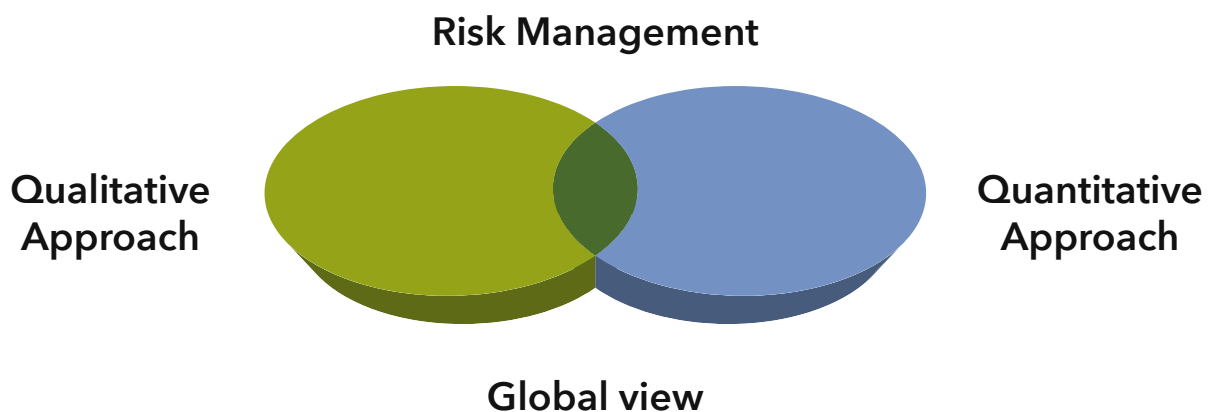


How to consider uncertainties in a budget or cost estimate?

PragmaRisk offers solutions and methods to enable you to consider uncertainties in your budget and cost estimates:

- How to consider uncertainties in a budget or a cost estimate
- How to define a level of contingency and remain competitive
- How to give credit to margin and profitability projections

These methods are inspired by the techniques used in major international industrial projects and can be incorporated into risk management tools.



⊕ They differ from the methods used in banking / insurance in that they use an operational approach intended for running a company or project and making decisions.

⊕ They are not focused purely on the result (level of cover, expected margin ...) but rather on the operational capacity to mobilize the people involved (inside and outside the organization) in order to influence the result.

Quantitative Risk Assessment methods

“ *PragmaRisk adapts to your internal management methods and formats to deliver a rapid solution to your problems.* ”


+ **Identifying uncertainties and risks** affecting budgets, estimates and schedules


LIST


Accuracy issues
Risks
Opportunities

Uncertainty 1
Uncertainty 2
Uncertainty 3
...


+ **Assessing their variability in terms of cost and time** (e.g. 'Expert Judgement' or scoring techniques)


Uncertainty 1



Uncertainty 2


Uncertainty 3


+ **Modelling uncertainties** in an integrated cost / time structure

Uncertainty 1


Uncertainty 2


Uncertainty 3


+

x

FORECAST

Quantitative Risk Assessment methods

“ *PragmaRisk uses the market leading risk and decision analysis software.* ”

+ **Simulations** (e.g. Monte Carlo algorithm and Bayesian networks) - the method consists of simulating thousands of possible outcomes of a present situation in order to analyze the spread of probable results and identify the key factors influencing the result.



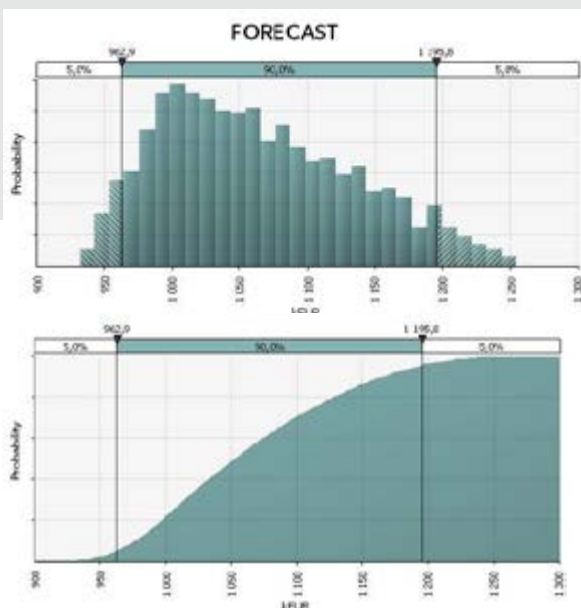
@RISK
Advanced Risk Analysis for Spreadsheets

From Palisade Corporation, - Market leading risk and decision analysis software (Monte Carlo simulations) and the DecisionTools® Suite.

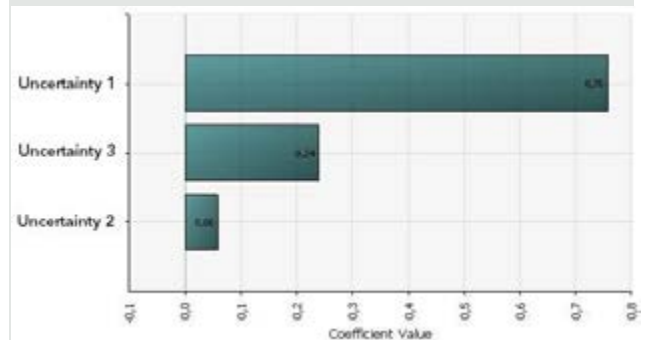


Designer of decision aid software packages, world leader in Bayesian networks for data mining

+ **Analyzing the results** in order to direct the decision-making process (e.g. project management and completion plan, technical choices, contract negotiation ...) towards securing cost and schedule objectives.



+ **Management charts and indicators** to communicate the results and support decision-making (e.g. internally, decision-makers and employees; externally, client, partners, auditors/management control /chief auditors ...)



Fields of application

“ Companies or organizations managing projects :

- *Industry*
- *Civil and urban*
- *IT and telecom...* ”

where :

- The challenges lie in the area of cost, schedule, deadlines, or other major objectives regarding Health, Safety, Security, Environment, Quality & Performance, Reputation...

- There are issues at the bidding stage to find the optimal balance between risk exposure and competitiveness.

- Risk management needs to add value & be efficiently integrated into project management throughout the project performance.

Other applications:

- **Corporate governance**

Consolidation of a Portfolio of projects and activities - transverse risk management and forecast of revenues/expenditure/cash flow.

- **Investment and capital risk**

Comparative Risk Analysis and Investment optimization

- **State, regional and local authorities**

Project management and budget monitoring

- **Statutory advisors and chartered accountants**

Risk provision and margin validation at quarterly cut-off

- **Technical applications**

Estimate of likely weights/volumes/surface areas - design and stock optimization

- **Training**

Professionals and students in engineering and business schools.

PragmaRisk

secure **your objectives**

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