

Proactive Risk Management

Control uncertainty in new product development

Facilitated by Product Development Guru,
Speaker, Consultant and Best-Seller Author



Dr. Preston Smith
Principal
New Product Dynamics

■ What you will learn?

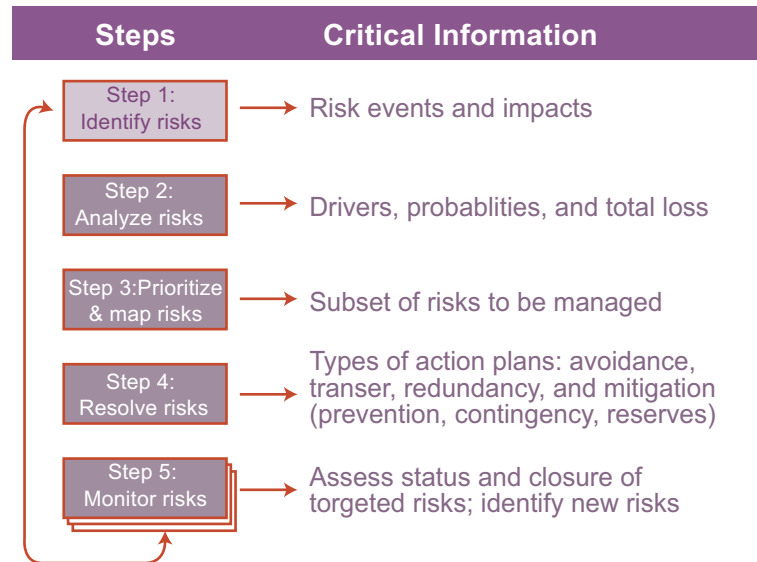
You will work through a five-step process of identifying, assessing, prioritizing, planning for, and monitoring project risks by applying this process to a case-study project. We base this process on a very useful model of a risk that gives you an X-ray view of the factors critical to resolving the risk, rather than just treating its symptoms. This case study, plus supporting material on the risk model, the process, and supporting tools and approaches, provides what you need to implement an effective risk management program on your next project and, hopefully, institutionalize it for all future projects in your organization.

This workshop will give you hands-on practice in using an effective method of managing product development risks. At its core is a case study that participants will follow to manage the risks of a challenging product development project. After hearing a lecture on a step of the process, small groups will practice the step of using this project with periodic sharing between groups to expose alternative solutions to the same project risks. This case study will be preceded and followed by lectures on the principles of the risk management process, critical points to avoid, tools and approaches to support the process, and guidance on implementing the process in your organization.

Thus, this workshop will prepare you to implement an effective project risk management process in your organization. Specifically, it will:

- ▶ Give you hands-on experience in applying a risk management process and sensitize you to the pitfalls involved
- ▶ Allow you to practice the specific skills involved, such as describing a risk in a way allows you to take action against it
- ▶ Provide supplementary information allowing you to modify the process to your organization's culture and needs
- ▶ Offer supporting tools and approaches

Risk Management Process



■ Why you should attend?

Product development, by nature, is risky business. The objective is not to eliminate the risks, because then you eliminate the innovation that accompanies a new product. But there are many things you can do to swing risk in your favor:

- ▶ Avoid risks that have little potential benefit
- ▶ Minimize the likelihood of others
- ▶ Reduce the downside consequences

Today many companies have a phased product development process that requires them to identify the project's risk for an early project review. Unfortunately, this is as far as they go, and when the listed risks start occurring, it is embarrassing. Furthermore, these problems often surface late in the project, when they are most disruptive and most difficult and costly to resolve. In order to gain benefit—rather than embarrassment—from risk management, you must follow through on the risks you identify. This workshop shows you how to do this.

Most of all, you should attend this workshop to learn directly from your counterparts how they are solving difficult risk management problems as you jointly resolve the class exercises.

Client Testimonials

- "...presents an easy-to-understand model and an easy-to-implement set of steps to successful risk management. It should be required reading for project and product managers. I believe you learn it one day, implement it the next, and beginning seeing results immediately. The model and approach presented here navigates the knife-edge between the obvious babbling and the philosophical musing that seems to dominate the risk management literature.."

Patrick Neal

PH. D. PMP, Manager, Project Management Network
Agilent Technologies

- ".....clearly communicates the challenges of risk management in product development and provides simple, proven methods for addressing them... experience with managing risk in product development is clearly evidenced in their practical treatment of the subject...take a holistic view of product development and illuminate the cross functional nature of risk in product development. ...often offer a straightforward procedure for managing risk and suggestions for implementing techniques in the real world."

Kent Harmon

Director, Product Development Improvement, HPA Division
Texas Instruments

About your facilitator

Preston Smith

Preston is one of the world's leading minds on Rapid Product Development and NPD Product Risk Management. He has concentrated on effective product development methods for twenty years. He founded **New Product Dynamics** in 1986 to bring rapid development expertise to industry as an independent consultant. Over a 20-year period, he held engineering and management positions in **Boeing, Pratt-Whitney Aircraft, IBM, Lucent Technologies and General Motors Research Laboratories.**

He has applied novel techniques for identifying and overcoming bottlenecks and surprises in companies' development processes. Clients span the packaged goods, electronics, software, medical, and motor vehicle industries. Some of the companies who apply the tools from this workshop are: **Boeing, Bosch, Nestle, Black & Decker, Dell Computer, Intel, Siemens, Motorola, Agilent, Hewlett-Packard, Siemens, Osram, GE, Ericsson, SAP, Flextronics etc.**

► Proven Records

Although his early work focused on time to market, he is active now in project risk management, high-performance global development teams, cross-functional product definition, and continuous improvement of a firm's development process.

► Professional Background

Before his concentration on management consulting, Preston spent twenty years as an engineer and manager with **IBM, AT&T, GM, Pratt & Whitney Aircraft**, and various smaller companies. He holds an engineering Ph.D. from Stanford University. He is a member of the Product Development and Management Association and serves as the Book Review Editor of the Journal of Product Innovation Management. **Preston is listed in Who's Who in the West and Who's Who in Finance and Industry, and he is a Certified Management Consultant (CMC)**

► Consulting & Training

Preston's consulting and training services include discovering cost-effective opportunities for improvement in a company's development cycle, guiding implementation of industry-leading development methods, and associated training. **He has led over 120 product development seminars in more than 23 countries;** has spoken at dozens of professional conferences and corporate meetings; and has taught product development at several universities.

► Books & Publications

In addition to publishing numerous articles and columns on advanced product development techniques, Preston is co-author (with Guy Merritt) of **Proactive Risk Management (Productivity Press, 2002).** This book won the **2003 PMI (Project Management Institute) David Cleland Project Management Literature Award.** He is also co-author (with Donald Reinertsen) of **Developing Products in Half the Time**, published by John Wiley & Sons. **This book, now in its third edition with 100,000 copies in use,** plus four translated editions, is a leading practical guide to fast-cycle development in high-tech and more mature industries alike.

► Clients in China

Companies in Greater China who have attended his workshops include:

ABB, Dell, Dow Corning, GE Medical Systems, National Starch & Chemical, Philips, Oracle, SAP, P&G, York, Rohm and Haas, A.O.Smith, Bayer, Emerson, GE China Technology, Invensys, Molex, Unilever, Schneider, Siemens, Ericsson, Osram, Motorola, Agilent, HP, Beyond Soft, Nestle, 3M, Invista, Jabil, John & Johnson, Mettler – Toledo, Otis and Many others.

Workshop Agenda and Outline

Day One - Jan. 11th 2007 Thursday 9:00am - 5:30pm

What is risk and how is it managed?

- Expanding beyond technical risks
- Earmarks of a risk
- Risk management opposed to fire fighting
- Remaining mindful of the opportunity side of risk.

The project risk management process

- Overview of the process
- Adapting the process to your organization's needs

Using project risk models

- Standard risk model
- Other models
- Pros and cons of each model

Identifying project risks

- How early to identify project risks
- Alternative means of identifying risks (and when to use each method)
- Balancing optimism and pessimism
- Application to the core case study

Analyzing risks

- Identifying and formulating risk drivers
- Estimating probabilities
- Calculating expected loss
- Application to the core case study

Prioritizing and mapping risks

- Prioritization process
- Applying judgment to a numerical ranking
- Using a risk map
- Application to the core case study

Day Two, Jan. 12th 2007 Friday 9:00am - 5:30pm

Planning resolution of targeted risks

- Types of action plans
- Emphasizing proactive plans
- Balancing a plan's benefits with its costs
- Application to the core case study

Monitoring project risks

- Tracking progress on risk resolution
- Scanning for new risks
- Risk management metrics and data management
- Application to the core case study

Risk management toolkit

- Sticky density
- Spreadsheets
- Decision analysis
- Risk simulation
- Design structure matrix

Risk management approaches and strategies

- Avoiding risk
- Remaining flexible
- Keeping in touch with customers
- Staying proactive
- Viewing failure productively

Implementing project risk management

- Fitting risk management into project management
- Training needs
- Countering fire fighting behavior
- Maintaining perspective
- Continuous improvement

About JF Pearson

JF Pearson is one of leading business information companies with affiliated partners in U.S., China, UK, Singapore, Malaysia and Japan. As a world-class business intelligence provider, JF Pearson provides business executives with knowledge and skills through conferences, professional trainings, in-house training and consulting services. Every year JF Pearson organizes more than 150 events and works with 15000 + senior executives from leading companies to improve their strategic decision-making process.

JF Pearson's Proven Records in Serving R & D Professionals in China

- **New Product Portfolio and Pipeline Management (Workshop)**
May 2004, Shanghai
- **Managing the Fuzzy Front End (Workshop)**
Nov. 2004, Shanghai
- **Product Planning & Management Masterclass (Workshop)**
Dec. 2004, Shanghai
- **The First Annual R & D & Innovation Management Conference**
April. 2005, Shanghai
- **Applying Innovation to Drive Business Growth (Workshop)**
Aug. 2005, Shanghai & Beijing
- **Flexible Product Development (Workshop)**
Dec. 2005, Shanghai
- **Developing Products in Half the Time (Workshop)**
Mar. 2006, Beijing
- **The 2nd Annual R 7 D & Innovation Management Conference**
May. 2006, Shanghai
- **Developing Products in Half the Time**
Aug. 2006, Taipei