

ASML

Risk management in Social Services



Herman Mooi

Workshop EQUASS European Conference Vilnius Lithuania, 21-22 February 2017

Agenda

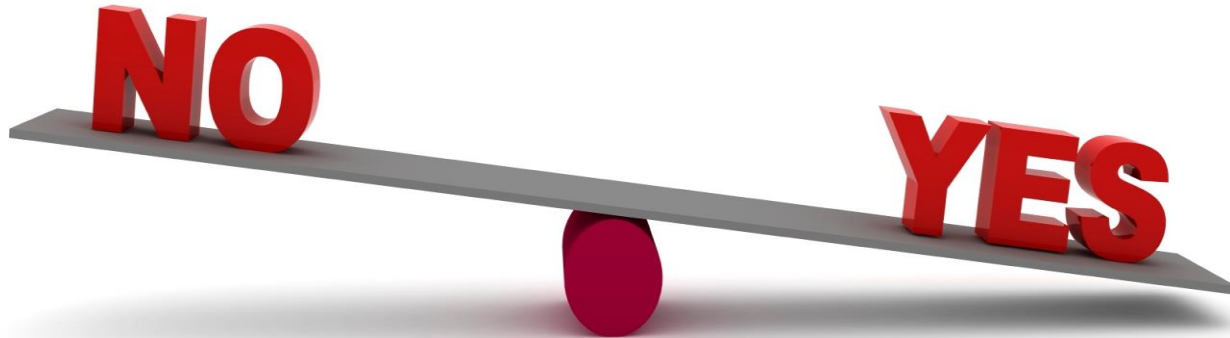
- Quality management @ASML
- Risk definition revisited
- Risks management in action
 - Risk formulation
 - Risk logs
 - Risk management cycle
 - Risk prioritization
- Exercises

The background of the slide features a series of light blue, wavy lines that flow from the left side towards the right, creating a sense of movement and depth. The lines are thin and closely spaced, fading out as they move towards the right edge of the slide.

Risk Management Definitions revisited

Risk management in the social sector?

- What do you remember from the keynote?
- Any remarks? Discussions?



Quality management at a company like ASML

Two types of quality need to be distinguished:

- Product quality – the qualification of our machines (nanometers, speed, reliability)
 - Note: our machines are so precise that they tend to have their own “personality”
- Process quality – first time right, zero failure, no failure leaves me
 - All processes described in Level 1 (company map) to Level 5 process (work instructions)
 - This includes process quality of projects and production process

Risk management: why don't we just do it?

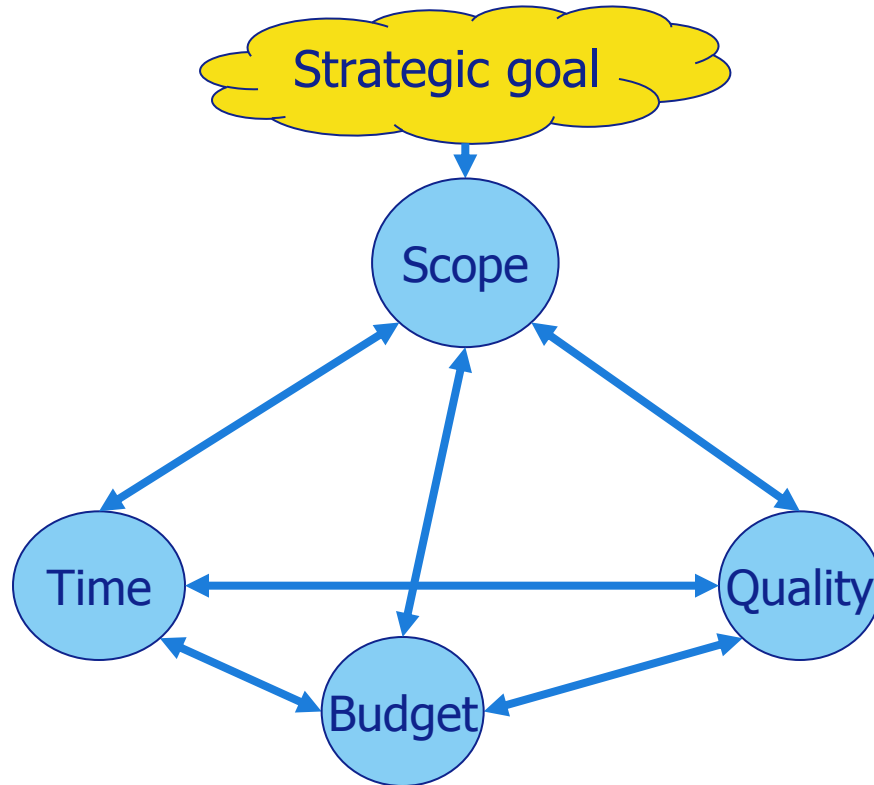
What is your experience with risk management?

- Takes just time and money
- Risk management does not work (for us)
- Risk management is just frightening people
- Managing issues is more fun
- We're too late in the project anyway
- Too busy dealing with issues
- It's just common sense
- Don't believe it works
- If you do it right, nothing happens...

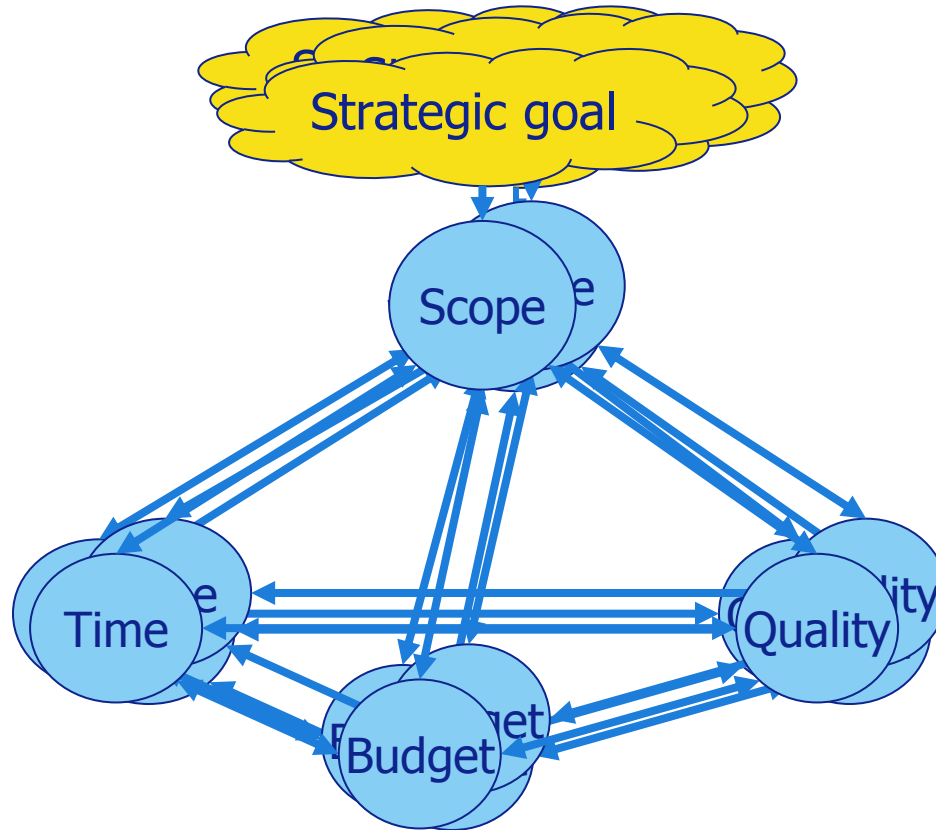


Promises in management

As manager you make multiple promises, for example...



Risks make all your project promises blurry...



Definitions: Uncertainty – Risk – Issue

Uncertainty – intrinsic unknown in an organisation
(does not have to be bad)

Risk* – an uncertain event or condition that, if it occurs,
has a positive or negative effect on one or more
promises such as content, schedule, cost, or
quality

Risk (ISO 31000) the effect of uncertainty on objectives (used to be
"chance or probability of loss")

Issue – existing (!) problem
(might be a risk that materialized)

A risk is an uncertainty that matters

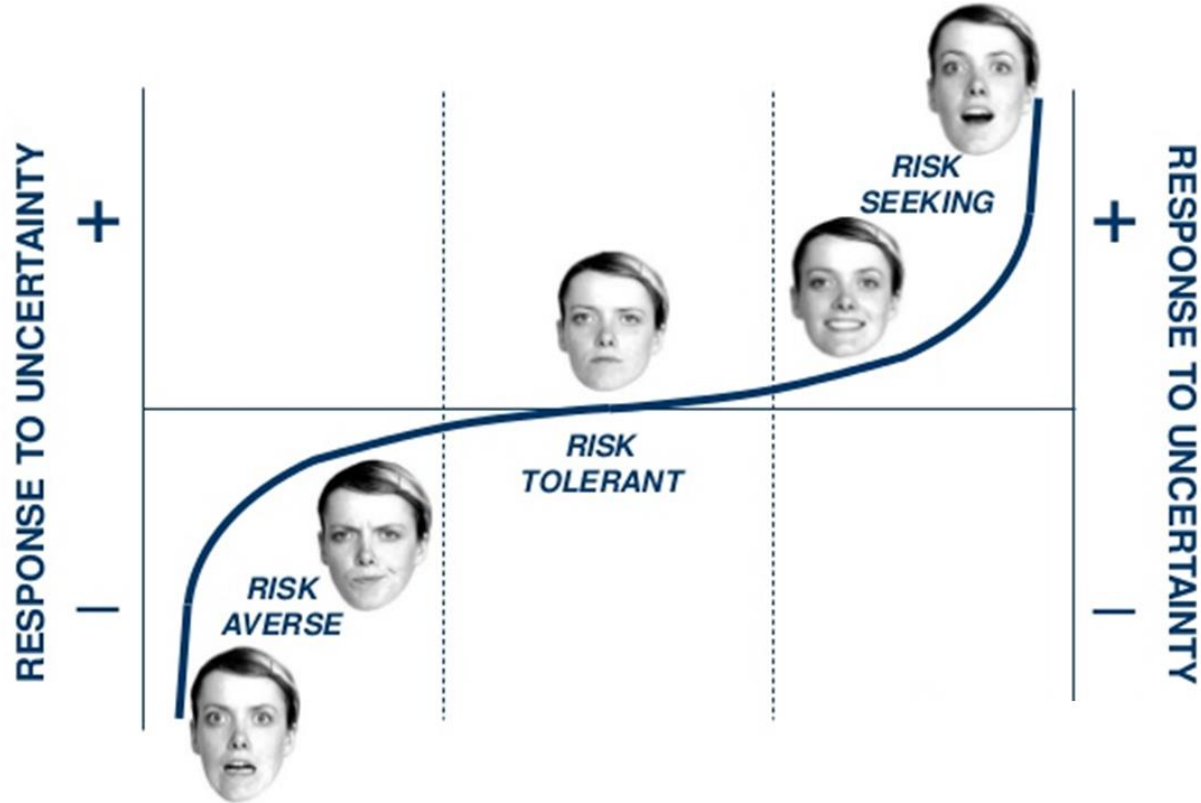


Risks are subjective, thus personal...

- Who are you and who are your team members...?



Risk attitudes: a personal characteristic



Different types of risks

There are risks on various levels:

- Strategic risks (e.g. politics, economy, financing, insurances)
- Operational risks (e.g. health risks, contracting, timing risks)

For each risk it needs to be decided on what level it will be dealt with



Risk categories

For risk analysis: use fixed categories:
see below or maybe the EQUASS framework (?)

Risk categories are just used for
checking completeness...



The background of the slide features a series of light blue, wavy lines that flow from the left side towards the right, creating a sense of movement and depth. The lines are thin and closely spaced, with a slight gradient in color from light to a slightly darker blue.

Risk Management in practice

It is important to phrase risks in the right way

A good risk definition contains three parts:

1. A cause
2. The risk event
3. The effect on a project promise

Proper formulation is key for being capable (at all) to manage the risk:

“ As a result of <definite cause>, <risk> might occur, which would lead to <effect on project promise(s)> ”

Example risk phrasing

Cows in ditch:

Cause: lack of drinking water,

Risk: the cows might fall into the ditch,

Effect: decrease of milk production.



Choose your responses to Threats and Opportunities



Choose your responses to Threats and Opportunities



Example risk phrasing

Cows in ditch:

Cause: lack of drinking water,

Risk: the cows might fall into the ditch,

Effect: decrease of milk production.

Accept:

Do nothing

Reduce (Mitigate):

Supply of drinking water with tank truck

Build fences

Fill in ditches

Transfer:

Insure loss of income

Avoid:

Don't put cows in that area

Contingency:

Hotline with crane company



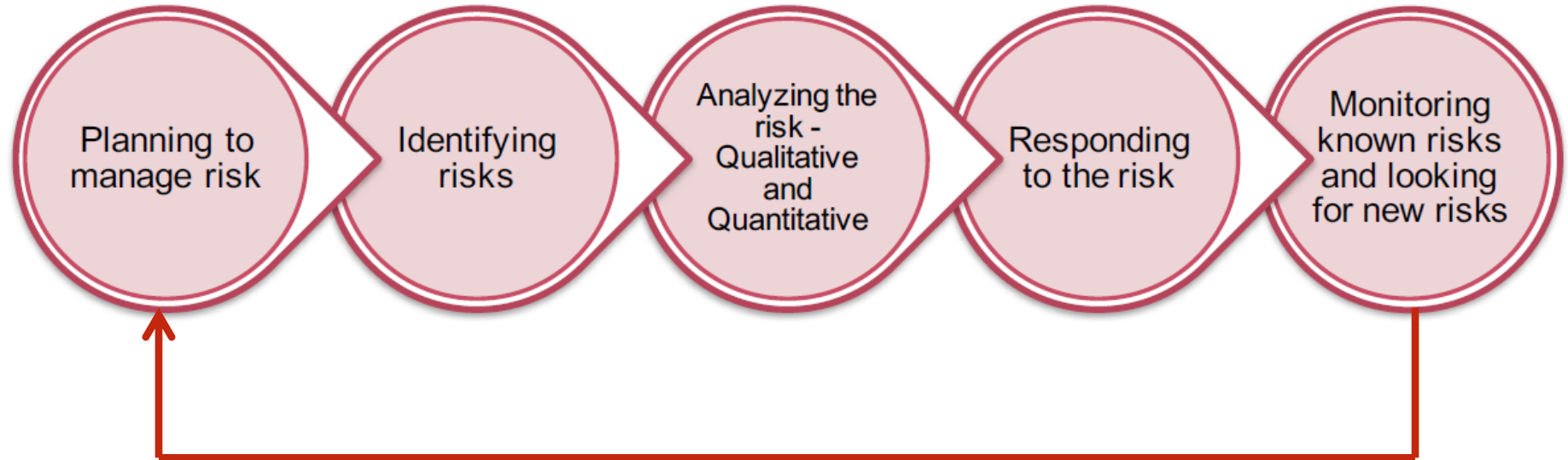
Risk Log

Typical elements of a risk register are:

- Risk description (cause-risk-effect)
- Risk owner
- Probability
- Impact
- Risk score (before mitigation)
- Mitigation actions
- Status (open/closed)
- Risk score after mitigation (residual risk)

Seq. No.	Risk (R) and Potential impact (Pi)	Risk Owner	Before execution of Mitigation actions			Total Risk Score	Risk Mitigation Actions	Status	Remaining Risk		
			Impact	Probability					Impact	Probability	Risk
	R: Asbestos is present in the CWM part of the building/installation 1 Pi: All construction related activities, including measuring of As-Built situation, have to be delayed.	Aspen	4	3	12	An asbestos survey has to be executed in an early stage of the EPCm phase and in case asbestos is present removal should be executed.	open	4	1	4	

Risk management process



Risk Assessment Matrix (RAM)

Probability → Impact ↓	Low	Medium	High
Low	Ignore	Ignore	Ignore
Medium	Ignore	Caution	Caution
High	Caution	Respond	Respond

Let's try...

Let's try...!

- Discuss with your neighbours
- Brainstorm 1 major risk for your organisation, related to EQUASS
- Phrase the risk by means of using Cause-Risk-Effect phrasing
 - C:
 - R:
 - E:
- What is the consequence for a key promise?

- Send your well-formulated risk to herman.mooi@asml.com (use your smartphone...)
- The results will be discussed in the plenary session

If we have time....

Formulate the risk response strategy for your risk, choose from the 4T+C responses



If we have even more time...

Discuss with your neighbours:

- How would you implement risk management in your organisation?
- How would you collect risks?
- How often would you revisit risks? With your time or not?
- How would you distinguish between strategic and operational risks?
- How is risk management related to eQUASS for you?

After the group discussions the topic will be discussed with the whole group.

The image features the ASML logo in a bold, dark blue, sans-serif font on the left side. The background is a light blue gradient with several decorative elements: a large, semi-transparent light blue arc on the left; a series of thin, white, wavy lines that originate from the right side of the ASML text and extend towards the right edge of the frame; and a solid, medium-blue rectangular area in the upper right quadrant.

ASML