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From the Alps to Wall Street

What Can Businesses Learn from Alpine Sports Regarding Risk Management

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Risk Management

RISK - quantifiable uncertainty

Identification	Assessment	Prioritization

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Risk Management in Alpine Sports

1. Avoid triggering of **avalanches**

2. Find a safe route for **getting to the top** of the mountain

3. Identify the safe route for **down skiing**

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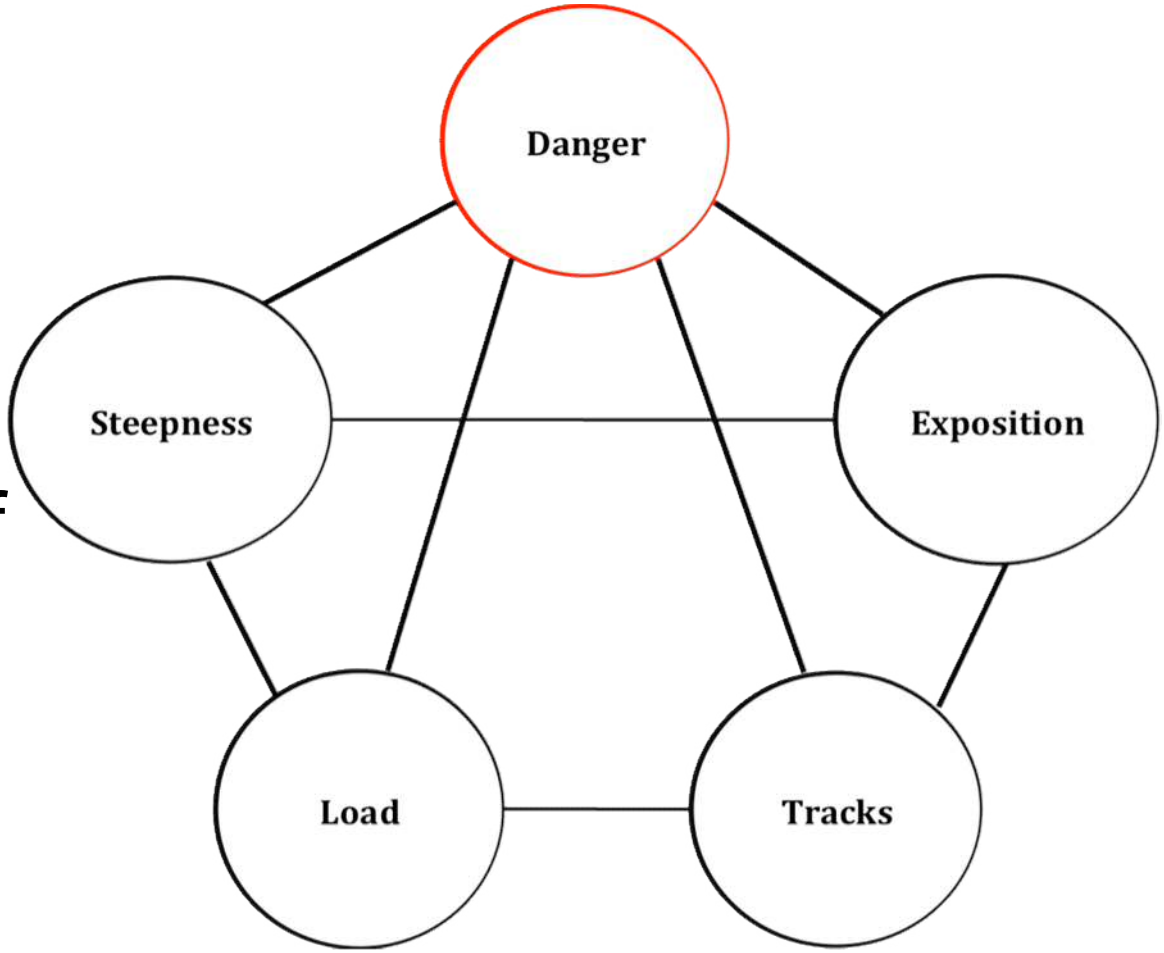
Risk Management in Alpine Sports

There is a complex **mix of factors** that results in danger and risk of accidents.



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The 3x3 Filter System

	Weather & Snow	Terrain	Human
Regional	**Avalanche bulletin** Danger rating (PAB, RP) Usage freq. of trip (RF2)	**Map** Max. inclination on map (RF1) Terrain info (PAB) Aspect on map (RF2) Elevation on map (RF2)	**Who belongs to the group** Group size (RF3)
Local	**Alarm signals** Danger rating (PAB, RP) Usage freq. of route (RF2)	**Relief** Max. inclination in terrain (RF1) Terrain info (PAB) Aspect in terrain (RF2) Elevation in terrain (RF2)	**Who else is here?** Group size (RF3) Spacing (RF3)
Zonal/ slope	**Snow conditions** Danger rating (PAB, RP) Usage freq. of slope (RF2)	**Steepest slope partie** Max. inclination (RF1) Terrain info (PAB) Aspect (RF2) Elevation (RF2)	**Precaution measure** Group size (RF3) Spacing (RF3)

PAB - public avalanche bulletin RF - reduction factor (class 1, 2 or 3) RP - risk potential

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Analogy for Everyday Business Life

Influence	Alpine sports factors	Business factors
Hard	**1. Conditions – weather** - change in time ca. every 6 to 8 hours - temperature	**1. External environment** - Customer, Market Demand, Finance - Supplier, situation of raw material, prices, Quality, delivery time - Competition - Government
Somewhat	**2. Terrain** - Change from terrain chamber to terrain chamber - Steepness - Surface of ground (grass, rocks) - Exposition N-NE-NW	**2. Internal environment** - Technology – obsolete technology - Machines + Equipment - Funding
Generally easy	**3. Human** - Experiences Know How - Group size - Equipment	**3. Internal Human/ Talent factors** - Training level + skills + attitude - Resources - Availability

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The 3x3 Method in Project Management

Main time frames:

- project start
- different project milestones
- project end

Main factors:

- external project customer or subcontractor
- technology and budget available
- team resources involved

Topic: Project **Steps / Planning / Execution**

	Extern	Intern		
	Project-Customer / Subcontractor	**Technology / Budget / Planning**	**Team / Resources**	**Where are the Crash-Potentials?**
Project start	Project obligations from customer General project master plan Project budget Evaluation Subcontractor + Resources	Test know-how of used technologies Budget uncertainty Planning uncertainty	Resource availability Evaluation team leader and team members	
Milestone	Project review obligations with customer Technology / Finance / Planning Project review subcontractor **Project changes**	Check technology with budget Check planning **Planning issues**	Quality of teamwork Resource availability **Lack of resource availability**	
Project end	**Delivery delay subcontructor**	**Technology malfunction and/or failure**	Detailed resource planning for intern and extern **Illness of specialist**	

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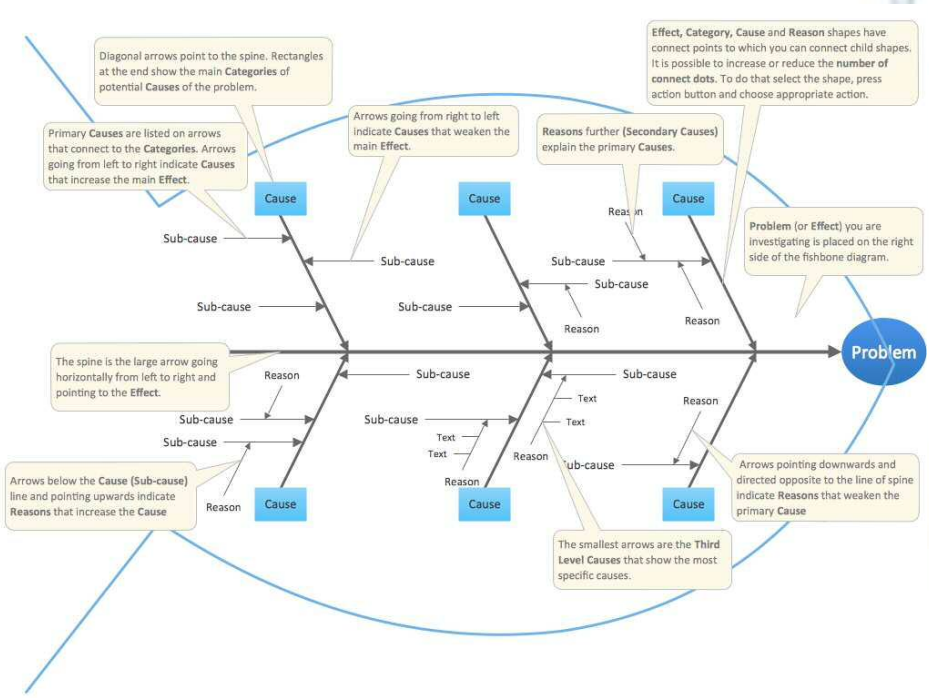
Contingency plans

First identify crash potentials

Consider contingency plans

Continous improvements

- Fishbone diagrams
- Evaluation matrix
- Action plans



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Thank you

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