Measurement Information Specification
Process Improvement Risk Ratings

Information Need Description	
Information Need	Do we face any risks that need to be mitigated for this program to succeed?
Information Category	Process Improvement Readiness

Measurable Concept	
Measurable Concept	Alignment and Commitment

Entities and Attributes	
Relevant Entities	Process Improvement Program
Attributes	Areas of potential risk

Base Measure Specification	
Base Measures	Risk factor rating
Measurement Methods	Using a set of risk factors that are relevant for the organization, for a specific risk factor for a specific category of potential risk to an improvement program, examine the cues for level of risk, and identify the perceived level of the factor.
Type of Method	Objective
Scale	Low/Medium/High
Type of Scale	Nominal
Unit of Measurement	Individual risk factor

Derived Measure Specification	
Derived Measure	# of factors to be addressed
Measurement Function	For each category of risk factors, compute the number of factors estimated to describe a given level of threat to the improvement effort (e.g. medium, high).

Indicator Specification	
Indicator Description and Sample	
Analysis Model	The ratings of risk factors are an indicator of the level of risk faced by the improvement program. Until the specific risks are identified and analyzed, though, it is not clear what potential problems are being faced. The risk factors are stated in a generic form, with cues to indicate potential risks to the organization. Once the factors have been rated, the risk assessment team can see where to focus its efforts on identifying and mitigating risks. Areas with high-rated factors are likely to have more threats than those with medium-rated factors, and these are the ones for which specific risks should first be documented and examined.
Decision Criteria	If many factors indicate high levels of risk, the improvement program may need to be shelved until these factors can be addressed. Common experience is that if there are more than ten high level risks to address, a program is not likely to be successful.
Indicator Interpretation	In this example, there appear to be serious risks in the organization culture, the process being used for process improvement, and the characteristics of the improvement teams. Depending on what actions can be taken to remove these risks, the program may need to be re-planned or reconsidered.

Data Collection Procedure (for each Base Measure) *Complete this section for each base measure listed on the previous page.*	
Frequency of Data Collection	During risk assessment efforts prior to the start of the improvement effort, and whenever environment, staffing, or other key circumstances have changed
Responsible Individual	Process group leader
Phase or Activity in which Collected	Risk assessment
Tools Used in Data Collection	Risk Factor Spreadsheet
Verification and Validation	Individuals involved in the assessment each independently rate the factors, then discuss them together as a group, to agree on the level of risk
Repository for Collected Data	Process Group measurement database

Data Analysis Procedure (for each Indicator)	
Frequency of Data Reporting	After risk assessment
Responsible Individual	Process group leader
Phase or Activity in which Analyzed	After risk assessment
Source of Data for Analysis	Risk Factor Spreadsheet summary
Tools Used in Analysis	Excel or other measurement tools
Review, Report, or User	Process Group Management Teams Executive Leadership

Additional Information	
Additional Analysis Guidance	The risk factors review needs to be followed by risk identification activities which document the specific risks to the improvement effort and determine the risk exposure for each (probability x loss). For those which are significant, actions need to be planned to handle the risk, so that the improvement program can succeed. Sometimes the initial review of risk factors generates a more negative view of the improvement effort than is justified when the true risks are stated; reviewers often react to the cues based on prior experience or based on perceptions that cannot be substantiated when examining the current improvement effort. Thus, the initial review of factors should be considered directional, rather than the final assessment of risk.
Implementation Considerations	Each organization may augment the standard list by adding relevant risk factors to it, based on local experience, or it may remove some which are not relevant. For improvement activities that last several years, it is wise to review the list during periods of re-planning.