

A Conceptual Framework to Program Risk Management

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The benefits associated with program risk management are related to increasing the program capability to meet its strategic objectives. Despite the popularity of risk management in projects, the discussion on program risk management is quite recent. Some initiatives have emerged to adjust the project risk management concepts and techniques for use in programs, but the dissimilarities in their natures and goals make them unsatisfactory. This paper proposes a conceptual framework for understanding the risk management process in programs and deploying it without losing the strategic perspective. Contrasting with the existing published guidelines for program risk management, the framework presented emphasizes the strategic and dynamic character of program management thus exposing important aspects of program risk management often neglected, among them: (a) because program management subject matter changes with the program lifecycle phase, and with revisions of strategic objectives, risk management must be well integrated into program management structure and processes; (b) in planning risk management it must be recognized that the risk identification process also varies according to the phase of the program, having different objectives, involving different people, and requiring different analyses and treatment; (c) program risks may arise at different levels of management and it is up to the program management to recognize what risks it must manage, which ones it may just monitor, and which ones it must delegate completely to the project management level; (d) for the same token, program management must be able bring to the attention of top management risks of strategic importance that are not visible to them (i.e. originated in the program or project realm). Though the focus of the paper is on the program management as a special organizational device, the framework extends to different levels of management. The program characteristics necessary to make this approach applicable are discussed.

Keywords: Program Management, Risk, Strategy.