



Ross EDGAR

# Managing risk spaces

*- harnessing resources in the  
pursuit of objectives*

# Today's evolving meta-system tendency

- greater complexity and accountability
  - ⇒ increased validation and litigation
  - ⇒ reduced innovation
  - ⇒ moderated returns

# Management challenges

- ❑ Identify risks
  - brainstorm, expert review, checklist ...
- ❑ Prioritise mitigation efforts
  - communicate the value of objectives

# Useful parameters of objectives

- ❑ The **Risk Index** (RI) describes the consequence and expected frequency of one's loss.
- ❑ The **Exchange Rates** (ExR) are the assurance gains for resources traded.
- ❑ The **Weighted Exchange Rate** (WExR) describes the ExR adjusted according to an objective's value.

e.g. with an improvement of  $x\%$  for a cost of  $\$y$ , the ExR is  $x/y \text{ \%}.\$^{-1}$ .  
Should the value of the objective be  $\$z$ , then the WExR is  $z.x/100.y$ .

# Risk management strategy

- revalorise objectives
- re-evaluate the Exchange Rates
- drive the Weighted Exchange Rates to equivalence with the endeavour's targeted rate of return.