

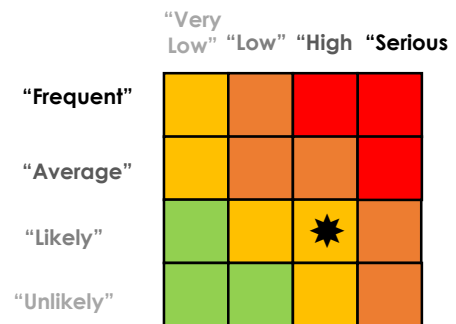
Halo™: Quantifying risks – enabling decisions

Answering the question: “How risky is it?”

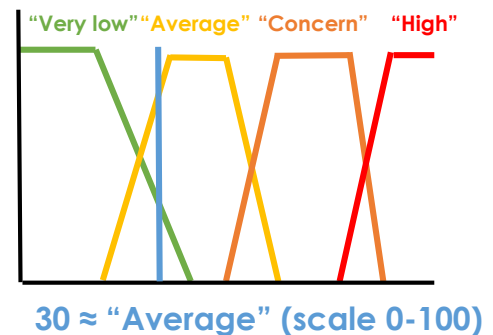
Enterprises need better ways to measure risks to manage risks. These include project, process safety, environmental, regulatory and other data-poor hazards. Firms that lack robust risk assessments are unable to manage their portfolios effectively.

Most of the critical risks faced by an enterprise are not well-characterized by probability analysis. Data scarcity for project and enterprise failures precludes the development of robust assessments of risk event likelihoods and consequences.

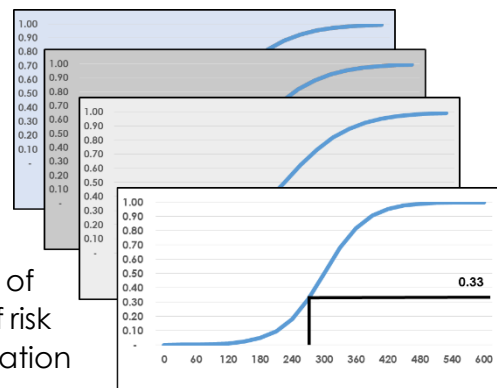
Traditional approaches to deal with data scarcity for risk events include risk matrices. Risk matrices are attractive in their focus on likelihood and consequence, the use of language, and their relative simplicity. However, risk matrices have major shortcomings. These shortcomings include compressed scales, an inability to quantify risk, and an inability to link risk outcomes to risk factors. Because of these features, risk matrices neither quantify the relative level of risk nor identify the decisions that can alter those risk levels.



Halo™ enables organizations to answer the question: “How risky is it?” As shown at right, Halo™ allows teams to use language to assess levels of risk while converting language into numbers to enable decisions. In this case, a team has deemed a risk “Average,” but with a score, allowing them to compare risks more accurately. Because Halo™ connects outcomes to input factors, the team can explore the value of risk controls.



Halo™ uses a variety of numeric structures and approaches to derive assessments for risk likelihood and risk consequences. As shown at right, Leading Edge™ can combine multiple factors to support likelihood and consequence assessments.



Halo™ enables teams to overcome data scarcity for key risks of a project or enterprise, tap the judgment of experts through language, and evaluate the impact of risk controls. These results can inform economic evaluation tools that consider risks in their analysis.

Contact Edge today to learn how Halo™ can help your team quantify risks to enable decisions.