

JOB AID

Risk Management Tools

This job aid describes the different risk management tools you can select from to incorporate into your quality management system. Step-by-step instructions as well as a tool's strengths, limitations, and tips are provided to help you make the best decision in selecting a tool appropriate to your setting.

The following tools are described in this job aid:

- Affinity Diagram
- SWOT Analysis

Background of Tools

Tools serve multiple purposes and come in many shapes and sizes. Examples of how some tools may be categorized are:

Idea creation	want to come up with new ideas, or organize many ideas
Process analysis	want to understand a process
Cause analysis	want to discover cause of a problem or situation
Planning	want to plan what to do
Evaluation	want to narrow a group of choices to the best one or evaluate how well you have done something
Data collection and analysis	want to collect data or analyze data you have collected

This table describes the suggested tools, when to use the tool (team/individual), and the area of focus.

Name of Tool	When to Use	Area of Focus
Affinity Diagram	Team	Idea Creation
SWOT Analysis	Team	Planning & Implementation

Affinity Diagram

Materials needed: Sticky notes or cards, marking pens, large work surface (wall, table, or floor).

Instructions: Perform the following steps to create an Affinity Diagram.

Step	Description
1	Describe the issue under discussion in a full sentence.
2	Brainstorm to generate a large number of ideas (recommend at least 15-20).
3	Sort ideas (without talking) simultaneously into 5-10 related groupings.
4	Create summary or header cards using consensus for each grouping.

Affinity Diagram Strengths

- Simple tool, does not require specialized training.
- Cost effective.
- Allows one to obtain consensus to a decision.
- May provide
 - insight into the sources or categories of risk
 - a sense of groups of risks that may have a common solution
- Aids a team in understanding the core of a problem and identifying solutions.

Affinity Diagram Limitations

- Requires space to work out the actual diagram.
- When you must dismantle the diagram, it can lose a sense of what it looked like.
- Sticky notes are only so big and can only hold so much information.

Affinity Diagram Tips

- Sort in silence to focus on the meaning behind and connections among all ideas instead of emotions and “history” that often arise in discussions.
- When an idea is moved back and forth, try to see the logical connection that the other person is making.
- It is okay for some notes to stand alone. These “loners” can be as important as others that fit into groupings naturally.
- Spend the extra time needed to do solid header cards. Strive to capture the essence of all the ideas in each grouping. Shortcuts here can greatly reduce the effectiveness of the final Affinity Diagram.
- Take photos at the end since the diagram will eventually be dismantled.

SWOT Analysis

Instructions: Perform the following steps to do a SWOT Analysis.

Step	Description
1	Create a four-square grid to highlight the four areas under consideration. Strengths and weaknesses of the organization on the top half, opportunities and threats associated with the project or work on the bottom.
2	Identify individuals who can accurately assess (from a high-level perspective) the information in each of the quadrants.
3	Populate the quadrants with the identified individuals' insights. The more detail, the better.
4	Analyze the SWOT four-square. Strengths are compared with threats to determine if the strengths may offset some shortcomings that may exist because of the effort. Opportunities are examined to see if they create a situation where some of the organization's weaknesses may be overcome.
5	Check the weaknesses and threats columns for common themes. If there are common themes, this should raise "red flags" that serious problems may result in these areas.

SWOT Analysis Strengths

- Little to no cost.
- Simple method that can be performed in a fairly short amount of time.
- It concentrates on the most important factors affecting your business.
- It is a powerful early presentation tool, clarifying rationale for potential risks and risk actions.
- Explores the high-level aspects that may influence the overall objectives.

SWOT Analysis Limitations

- It can help identify risk categories for brainstorming, but alone is inadequate for risk analysis, doesn't provide solutions or offer alternative decision.
- No weighting factor or ranking factors for prioritization.
- Ambiguity: SWOT analysis creates a one-dimensional model in which each problem attribute is viewed as a strength, weakness, opportunity or threat. As a result, each attribute is seen to have only one influence on the problem being analyzed. However, one factor might be both a strength and a weakness.
- Subjective analysis: It is a strong tool, but it involves a great subjective element.

SWOT Analysis Tips

- Be realistic, be unbiased when collecting and evaluating data to get the best outcome.
- Analyze rationally.
- Avoid complexity, keep it short and simple, don't over analyze.
- Attain change, plans must be kept current.