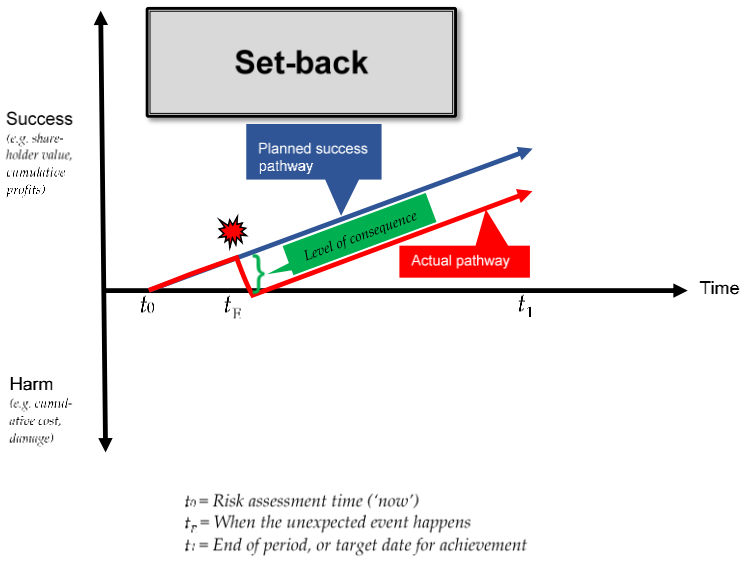
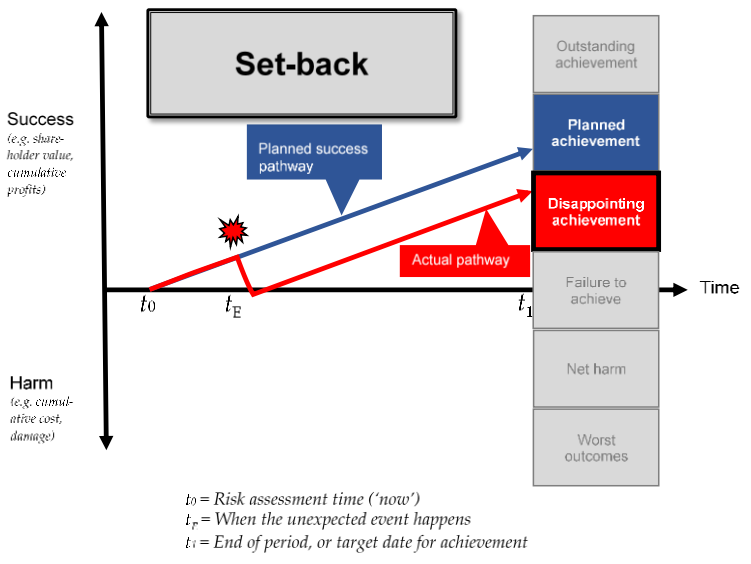
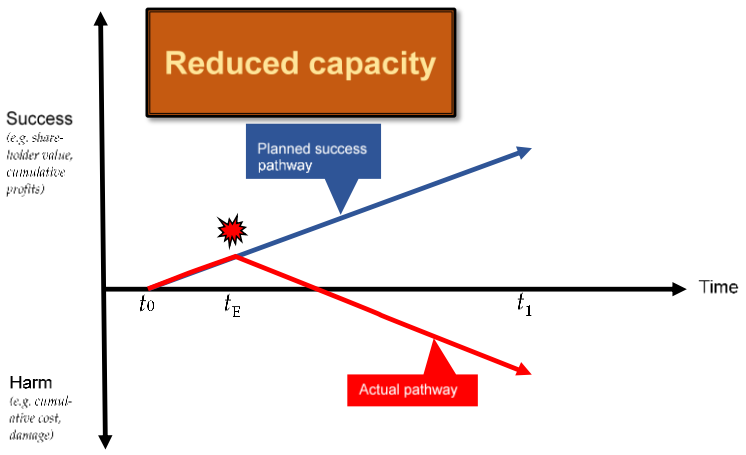
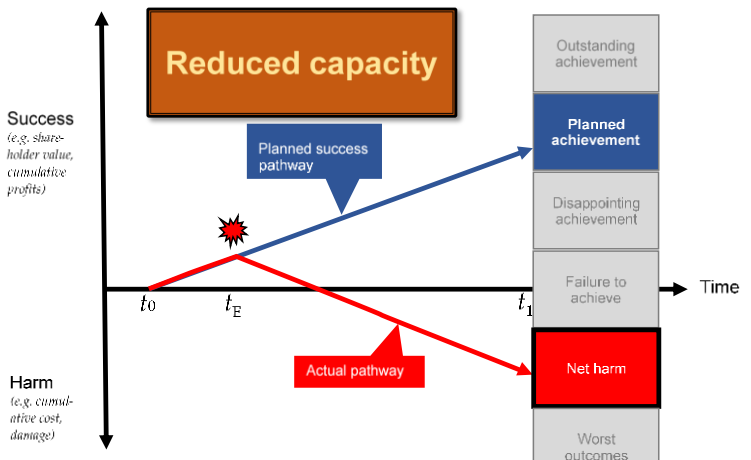
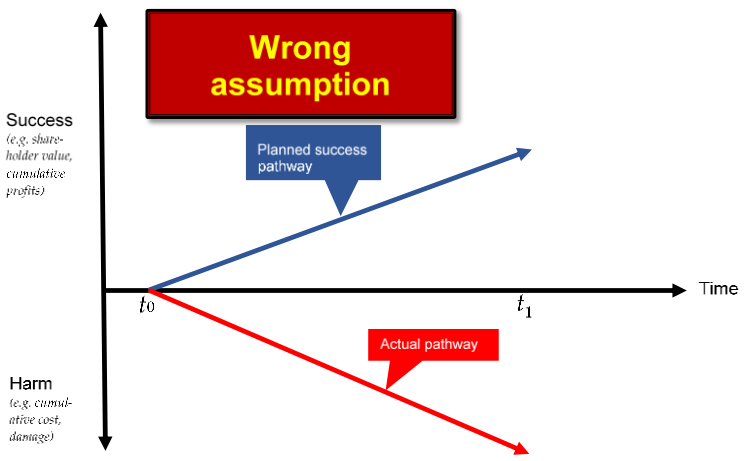
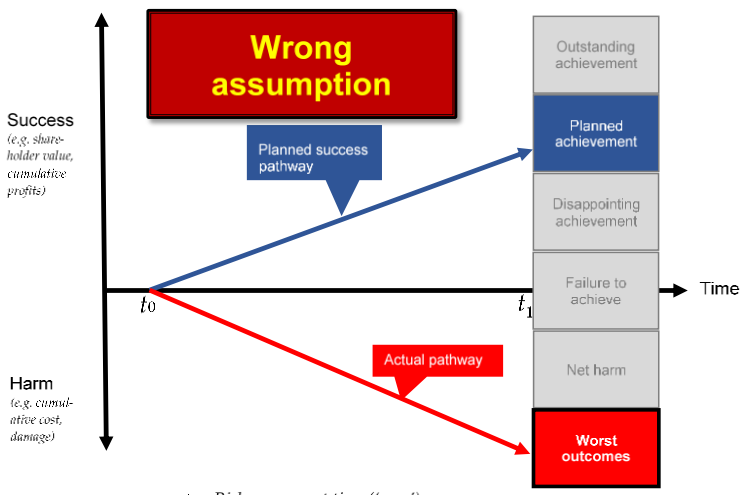
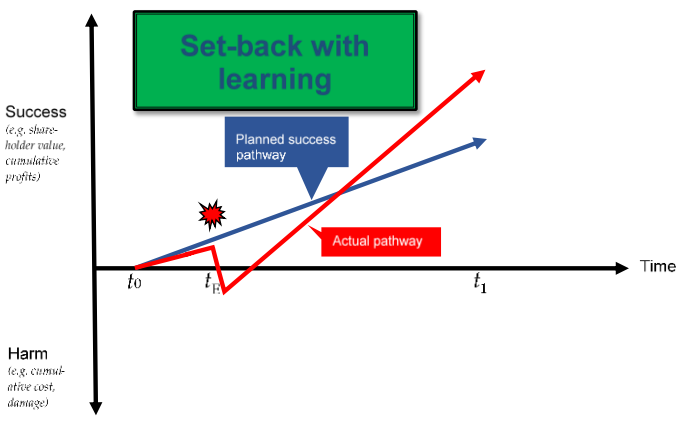
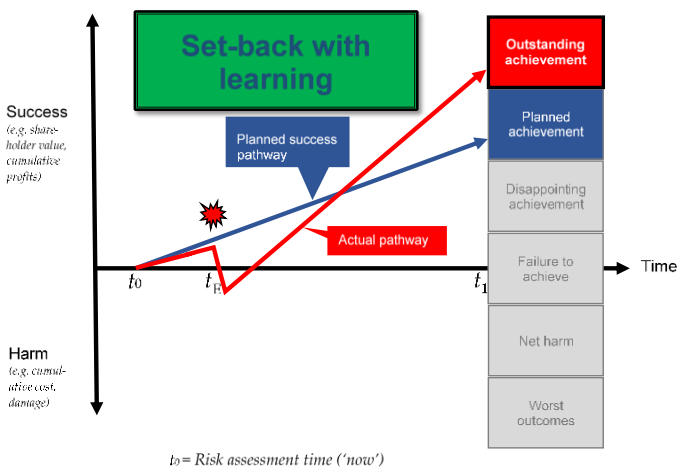
When do the consequences follow from a risk event?

Looking at achievement by time

Read first: When do the consequences follow from a risk event?

	Consequences at end-of-scenario A consequence is the incremental change in success level when the risk has unfolded	**Consequences at end-of-period** A consequence is the ultimate level of success or failure
Set-back The unexpected event results in a set-back. There is a loss which is not recovered, perhaps a one-time loss of money. Profit-making resumes as before.	 t_0 = Risk assessment time ('now') t_E = When the unexpected event happens t_1 = End of period, or target date for achievement	 t_0 = Risk assessment time ('now') t_E = When the unexpected event happens t_1 = End of period, or target date for achievement
Reduced capacity The red line shows the effect of an event that reduces capacity. Perhaps a key person has left the organisation, and no-one realises the importance of this loss. This scenario is more than a setback, as the organisation cannot achieve positive results as before. Persistence only increases the losses incurred. In this case the risk consequence is a change in the direction of the red line, not a vertical drop. If we insist on measuring the vertical gap, the size of that gap depends on the time at which we decide that the risk scenario has run its course.	 t_0 = Risk assessment time ('now') t_E = When the unexpected event happens t_1 = End of period, or target date for achievement	 t_0 = Risk assessment time ('now') t_E = When the unexpected event happens t_1 = End of period, or target date for achievement
Wrong assumption This graph shows the effect of proceeding on a wrong assumption about how the world works. The organisation does not become aware of the error. It persists with its strategy despite poor results. In this scenario the actual pathway is removed from the planned success line pathway almost before it begins. The assumption was wrong during planning, and had probably been wrong for a while before that. There is no specific time at which the mistake is made, so there is no t_E.	 t_0 = Risk assessment time ('now') t_1 = End of period, or target date for achievement	 t_0 = Risk assessment time ('now') t_1 = End of period, or target date for achievement
Set-back with learning The final case is a temporary set-back with long-term learning. This case shows that the 'risk consequence' varies dramatically, and even changes direction, depending on the time at which the risk scenario is deemed to have resolved.	 t_0 = Risk assessment time ('now') t_E = When the unexpected event happens t_1 = End of period, or target date for achievement	 t_0 = Risk assessment time ('now') t_E = When the unexpected event happens t_1 = End of period, or target date for achievement

About time-achievement diagrams