Risk management in the ESS Vision 2020

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A long journey towards modernisation

- European Statistical System (ESS) collaborative approach – building together
- Strong links with
  - International modernisation activities
  - Research and methodological community
  - Stakeholders / users
- Step by step approach
- Monitor and manage
- Working mechanisms
Strategic aims of the Vision

**Users**
- agile and responsive attitude to users’ needs
- response to user groups
- partner and a leader for innovation
- strategic alliances public and private

**Quality**
- CoP and ESS Quality Assurance Framework
- quality assurance tools fit for purpose
- usability and quality of source data
- sound methodology and effective quality assurance mechanism

**New Data Sources**
- improving existing data collection methods
- exploiting the potential on new data sources
- establishing alliances and partnership with data owners
- new IT tools and methodological development
- organisational changes

**Statistical Processes**
- partnership of the ESS
- enterprise architecture
- standards
- common methods and tools
- sharing IT services and infrastructures
- (micro) data exchange and statistical confidentiality
- experts working together

**Dissemination**
- dissemination and communication strategy
- pool of European statistics
- portfolio of dissemination products and services
- European statistics brand
“A vision is void if it is not followed by a strategy and concrete actions towards implementation”

ESS Vision 2020
Building the 2020 ESS

- Communication
- Governance
- Administrative data
- Users
- Big Data
- Validation
- Shared tools
- Methods
- Services
- Quality
- Standards
- Network
- Enterprise Architecture

European Statistical System
Based on Portfolio Management Approach

- Refreshed vision would benefit from a new approach
- Needed the best mix of projects to deliver the vision
- Needed to build support for implementation
- Needed best chance of successful delivery
Features of good Portfolio Management

- Supportive top management, clear governance and effective stakeholder management
- Selecting programmes & projects that contribute to the strategic aims, in a balanced way
- Rigorous evaluation and approval of business cases
- Disciplined approach to starting, changing and stopping
- Managing risks, issues & dependencies
- Ensuring benefits are planned and delivered
- Managing capacity, capability and skills across the portfolio
- Regular reporting, supported by independent assurance
Monitoring the portfolio

Report:

• Portfolio dashboard

• System of traffic lights: current status and delivery confidence

• Based on quarterly progress reports of the projects (using the Commission project management methodology)

• Quarterly periodicity
Portfolio management - monitoring report

ESS Vision 2020 portfolio
Portfolio (as a whole)

Status
Delivery confidence

Projects' summary dashboard

Status
Delivery confidence

Administrative data sources
ADMIN

Big Data for official statistics
BIGD

Getting the pulse of users' needs and provide them with the right products and services
DIGICOM
## Strategic risks - background

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Action</th>
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</thead>
<tbody>
<tr>
<td>May 2014</td>
<td>ESS Vision 2020 agreed by ESSC</td>
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<tr>
<td>Feb 2015</td>
<td>ESSC agreed proposals for an initial portfolio of projects</td>
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<tr>
<td>Feb 2015</td>
<td>ESSC invited Member States to identify, classify and assess strategic risks, and develop mitigation actions</td>
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<td>Apr 2015</td>
<td>Vision Implementation Network members provided views on the strategic risks and mitigations</td>
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<td>Sep 2015</td>
<td>Proposals on strategic risks and mitigation actions</td>
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<tr>
<td>Feb 2016</td>
<td>ESSC endorsed proposed actions, roadmaps and responsibilities</td>
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Risk identification & assessment

- Reviewed existing project level risks
- Considered common causes of failure
- Invited Vision Implementation Network to assess initial set of strategic risks
- Scored and prioritised strategic risks
Risk response

Selection of the risk response – how to deal with the identified risks:

• **Mitigation plans**: actions to reduce the likelihood and/or potential impact

• **Contingency plans**: actions to manage the impact of a risk should it materialise (to be developed)
Classification of risks in 3 groups

<table>
<thead>
<tr>
<th>Risk level</th>
<th>Addressed by</th>
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<tbody>
<tr>
<td>High level risks</td>
<td>developing specific dedicated risk mitigation actions</td>
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<tr>
<td>Medium level risks</td>
<td>developing cross-cutting risk mitigation actions</td>
</tr>
<tr>
<td>Low level risks</td>
<td>monitoring possible changes in risk impact or likelihood</td>
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## High level risks

<table>
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<tr>
<th>High level risks</th>
<th>Description</th>
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<tr>
<td>Exchange of micro-data</td>
<td>Risk associated with the exchange of confidential micro data for statistical production purposes</td>
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<tr>
<td>Budget</td>
<td>Risk that the affordability of the portfolio was wrongly estimated - budget risk</td>
</tr>
<tr>
<td>Capability/capacity</td>
<td>Lack of capability/capacity to implement the Vision portfolio / lack of timely availability of skills and human resources</td>
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<tr>
<td>Legislation</td>
<td>Different legislative systems/lack of common EU legislation</td>
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</table>
High level risks – proposed mitigation (1)

Risk 13 - Exchange of micro data: because of its nature was given more consideration than the others

Risk 10 – Affordability/budget risk

• Regular monitoring at project and portfolio level
• Multi-year financial planning
• Define minimum requirements for deployment for each project
• Develop method for assessing cost and benefits
• Develop method for estimating deployment costs
High level risks – proposed mitigation (2)

Risk 11 - Lack of capability/capacity/skills to implement the Vision portfolio
- Review how the sequencing of projects matches available capacity
- Assess skills gaps to run the projects and deploy their deliverables
- Develop action plan for enhancing skills in the ESS
- Deliver project, portfolio and change management courses

Risk 12 - Different legislative systems/lack of common EU legislation
- Analyse inventory of EU and National legislation/frameworks on confidentiality, data protection and data exchange
## Medium level risks

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<tr>
<td>Resistance to change in statistical organisations</td>
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<tr>
<td>Lack of stakeholder engagement</td>
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<td>Weak portfolio management</td>
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<td>Implications of different understanding of the Vision in the VIN</td>
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<td>External factors conflicting with the strategic aims of the Vision</td>
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<td>Lack of coherence between national and ESS modernisation programmes</td>
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<td>ESS Vision 2020 governance / lack of ownership</td>
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## Low level risks

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<td>Wrong mix of projects in the ESS Vision 2020 portfolio</td>
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<td>Lack of coordination with other ESS and international initiatives</td>
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- Low level risks will be monitored but no specific mitigation actions are proposed
Mitigation actions

Each mitigation action will be implemented under the responsibility of:

• an action owner (Eurostat unit)
• a Directors Group, where relevant
Risk reporting and monitoring

- Quarterly project and portfolio level risk report to Vision Implementation Group
- Quarterly review of risks & mitigations by Vision Implementation Group - key points reported to ESSC
- Annual re-assessment of strategic risks
Risk Management in the ESS Vision 2020

Thank you for your attention

Questions?