

Home > OpenPages GRC Platform 7.0.0 > Author and Create >
Operational Risk Management Module Overview 7.0.0 >
IBM OpenPages Operational Risk Management module >

Previous Next

Scenario Analysis

Search in all products

Search in this product...



☰ Table of contents Change version or product ▾

🖨 Print 📄 PDF ▾ ⓘ Help

Scenarios involve the quantification of significant events that might occur at an organization (impacts and frequencies for potential events).

Scenario analysis provides what-if scenarios related to an organization's losses. It can assess the potential frequency of an event and the potential costs. The intent is to predict the losses that are not included in internal historical data, for example events that are low in frequency but high in severity. Scenario analysis is useful for understanding risk profiles and capital modeling. It can be applied to external data, expert opinion from within the organization, internal data, risk assessments, control evaluations, and so on.

The approach lends itself to a workshop-based approach; however it can also be applied by a desk-based or individual subject matter expert who is performing the analysis. Activities that support scenario analysis are performed by the operational risk team.

Scenario analysis can be broken down into the following stages:

1. Scenario Library Population (optional)
2. Scenario Applicability Review
3. Scenario Preparation and Distribution
4. Workshop Performance
5. Reporting

Scenario Library Population (Optional)

To encourage a standardized approach to scenario analysis, it can be beneficial to create a library of prepared templates. The library is a set of scenarios that are pre-populated with basic data. Data that is typically set at the library level includes scenario description, scope, risk categorization, and library ID. When copied from the library, the local business units update the scenario to reflect their scenario specification. Library maintenance is restricted to the operational risk team and administrators, with other users having read-only access to the scenario library.

Scenario Applicability Review

At this stage, the operational risk team will complete the following tasks:

- Review the existing scenarios in place for each business unity (supported by the scenario summary report).
- If coverage gaps exist, copy from the library or create a new scenario to bridge the gap.
- Mark each scenario as applicable or non-applicable through an activity view.
- Set the scenario status to draft.

Scenario Preparation & Distribution

In preparation for the workshop, the operational risk team can update details on the scenario object such as workshop dates. In addition to updating the scenario object the operational risk team or scenario should do the following:

- Associate any pertinent risks or issues to the scenario.
- Run the events by category report and scenario summary reports (preferably as PDF files to distribute to workshop attendees through email).
- Set the scenario status to **Awaiting Analysis**.

Workshop Performance

At the completion of or during the scenario workshop, the operational risk team or scenario owner updates the scenario findings or outcomes on the scenario object. To finalize the scenario, the owner runs the **Scenario Completion Helper**. The helper performs basic data validation, creates a scenario results object, populates a key field from the scenario to the scenario results object, and runs and attaches a copy of the events by category and scenario details object to the scenario results

scenario details object to the scenario result.

Reporting

The following key reports are available for scenario analysis:

Related topics:

[Loss Events](#)

[Risk and Control Self Assessments](#)

[Key Risk Indicators](#)

[Key Performance Indicators](#)

[External Loss Data Analysis](#)

Do you want to...

Open a ticket and download fixes at the [IBM Support Portal](#)

Find a technical tutorial in [IBM Developer](#)

Find a best practice for integrating technologies in [IBM Redbooks](#)

Explore, learn and succeed with training on the [IBM Skills Gateway](#)

[Contact](#) [Privacy](#) [Terms of use](#) [Accessibility](#) [Feedback](#) [Cookie preferences](#)

English

