CONTENTS

PREFACE xi

ACKNOWLEDGMENTS xix

CHAPTER 1: WHY AND WHAT IS RISK MANAGEMENT? 1
  Introduction 1
  What Is an Estimate? 3
  What Is Uncertainty? 4
  What Is Risk? 4
  What Is Risk Management? 4
  Why Risk Management? 5
  The Limitations of Risk Management 6
  Objective of This Book 8

CHAPTER 2: PROJECT COST AND SCHEDULE ESTIMATES 11
  Introduction 11
  Cost Estimating Methodology 14
  Cost Estimating Process 14
  Cost Estimating Data 18
  Cost Estimating and Project Development Level 18
  Estimate Documentation 24
  Basis of Estimate 24
  Conclusion 25

CHAPTER 3: THE RISK-BASED ESTIMATE 27
  RBE—The Process 27
  Risk-Based Estimate—How It Works 42
  Base Cost and Schedule 43
  Risks as Events 63
  The Micro-Project 87
CONTENTS

Risk Identification Process 237
Postworkshop Activities 244
Everyone Has Duties 245
Helpful Hints 249
Sample Questions to Ask 249

INDEX 253