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Command Policy

**OPERATIONAL RISK MANAGEMENT
PROGRAM**



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Operational risk management (ORM) is a decision-making process to systematically evaluate possible courses of action, identify risks and benefits and determine the best course of action for any given situation. Operational risk management enables commanders, functional managers, supervisors and individuals to maximize operational capabilities while limiting all dimensions of risk by applying a simple, systematic process appropriate for all personnel and functions both on and off duty. Appropriate use of ORM increases both an organization's and individual's ability to accomplish their mission, whether it is flying an airplane in combat, loading a truck with supplies, planning a joint service exercise, establishing a computer network or driving home at the end of the day. Application of the ORM process ensures more consistent results, while ORM techniques and tools add rigor to the traditional approach to mission accomplishment, thereby directly strengthening the Air Force's warfighting posture.

1. All personnel assigned to the 89 AW will be required to understand and integrate ORM into tasks, on and off duty.
2. The 89 AW will designate a wing program manager (per the AMC ORM Implementation and Sustainment Plan), an assistant program manager, group ORM points of contact (POC) and squadron ORM POCs. The group ORM POCs will report to and meet quarterly with the wing program manager. (See **Attachment 2** for report format.)
 - 2.1. The wing program manager will compile the group ORM POCs' quarterly reports and send the 89 AW's report to HQ AMC/SEO.
3. Personnel newly assigned to Andrews AFB have 90 days to complete the basic-level ORM training. Basic-level ORM training includes any of the following:
 - 3.1. In-unit initial and refresher basic ORM training, developed and taught by supervisors and/or squadron ORM functional managers (basic level ORM) or the wing-produced basic level ORM PowerPoint presentation.

3.2. The Air Force Safety Center's web-based training course. This offers four levels of training: basic, intermediate, advanced, and executive.

3.3. ORM "Applications and Integration" courses taught by the Transportation and Safety Institute (TSI). (This includes courses taught at Kirtland AFB or at home unit via satellite broadcast.)

4. Group POCs will conduct their groups quarterly focus day. This is a day set aside to discuss, teach and implement ORM principles and topics. Initial and annual refresher training can be accomplished on this day. Group POCs will document their personnel's ORM training requirements.

5. Goals :

5.1. Enhance mission effectiveness at all levels, while preserving assets and safeguarding health and welfare.

5.2. Integrate ORM into mission processes, ensuring decisions are based upon assessments of risk integral to the activity and mission.

5.3. Create an Air Force in which every leader, airman and employee is trained and motivated to manage risk in all their on- and off-duty activities.

5.4. Identify opportunities to increase Air Force warfighting effectiveness on the battlefield and in the operational aerospace environment, helping to ensure decisive victory in any future conflict at the least possible cost.

6. Operational Risk Management Principles. Four principles govern all actions associated with the management of risk. These principles, continuously employed, are applicable before, during and after all tasks and operations.

6.1. Accept no unnecessary risk. Unnecessary risk comes without a commensurate return in terms of real benefits or available opportunities. All Air Force missions and daily routines involve risk. The most logical choices for accomplishing a mission are those that meet all mission requirements while exposing personnel and resources to the lowest acceptable risk.

6.2. Make risk decisions at the appropriate level. Making risk decisions at the appropriate level establishes clear accountability. Those accountable for the success or failure of the mission must be included in the risk decision process.

6.3. Accept risk when benefits outweigh the costs. All potential benefits should be compared to all potential costs. The process of weighing risks against opportunities and benefits helps to maximize unit capability. Even high-risk endeavors may be undertaken when there is a well-founded basis to believe that the sum of the benefits exceeds the sum of the costs.

6.4. Integrate ORM into operations and planning at all levels. To effectively apply risk management, commanders must dedicate time and resources to integrate ORM principles into planning and operational processes. Risk assessments of operations are most mission supportive when they are done as a normal way of conducting a mission, not an add-on process performed by people not otherwise involved.

7. Operational Risk Management Fundamentals. The essential concepts of Air Force ORM are outlined below.

- 7.1. Is a comprehensive system for improving individual and organizational performance in all functional areas and operations.
- 7.2. Should be tailored to meet the unique mission needs and operational requirements of each organization.
- 7.3. Provides the process and tools to develop and enhance awareness and understanding of at-risk activities and behavior of personnel both on and off duty.
- 7.4. Application may identify areas where regulatory guidance is overly restrictive or otherwise not consistent with mission requirements. In this event, the risk assessment may be used to support solicitation of appropriate level waiver, variance, or change, but will not in itself constitute authority to violate any directive, policy, standard or other applicable regulatory guidance.
- 7.5. Is a continuous, systematic decision-making tool consisting of six steps that define the process. The following is a description of the six-step process.
 - 7.5.1. Identify the Hazards. Step one of the process involves application of appropriate hazard identification techniques in order to identify hazards associated with the operation or activity. Hazard can be defined as any real or potential condition that can cause mission degradation.
 - 7.5.2. Assess the Risk. The assessment step involves the application of quantitative or qualitative measures to determine the probability and severity of ill effects potentially resulting from exposure to a hazard.
 - 7.5.3. Analyze Risk Control Measures. Step three involves the evaluation of specific strategies and controls that reduce or eliminate risk. Effective mitigation measures reduce one of the three components (probability, severity or exposure) of risk.
 - 7.5.4. Make Control Decisions. Decisions are made at the appropriate level and are based upon analysis of overall costs and benefits. Decision-makers choose the most mission supportive risk controls consistent with ORM principles.
 - 7.5.5. Implement Risk Controls. Once control measures have been selected, an implementation strategy must be developed and carried out.
 - 7.5.6. Supervise and Review. Risk management is a process that continues throughout the life cycle of the system, mission or activity. Leaders at every level must fulfill their respective roles in ensuring controls are sustained over time. Once controls are in place, the process must be periodically reevaluated to ensure their effectiveness and mission supportiveness.

GLENN F. SPEARS, Brigadier General, USAF
Commander

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

AFI 90-901, *Operational Risk Management*

AFPAM 90-902, *Operational Risk Management (ORM) Guidelines and Tools*

AFPD 90-9, *AF Policy Directive, Operational Risk Management*

AFTTP (I) 3-2.34, *Air Force Tactics, Techniques and Procedures Guide for ORM*

Air Mobility Command ORM Implementation and Sustainment Plan

89AW ORM Website - <http://www.andrews.af.mil/89AW%20Safety/orm.htm>

Abbreviations and Acronyms

AFI—Air Force Instruction

MAJCOM—Major Command

ORM—Operational Risk Management

POC—Point of Contact

TSI—Transportation and Safety Institute

USAF—United States Air Force

WWW—Worldwide Web

Terms

ORM Advisor—Organization-level ORM focal point who serves as advisor to commanders, managers, supervisors and etc. on ORM policy, application and training.

Operational Risk Management (ORM)—The systematic process of identifying hazards, assessing risk, analyzing risk control options and measures, making control decisions, implementing control decisions, accepting residual risks, and supervising/reviewing the activity for effectiveness.

Risk—The probability and severity of loss or adverse impact from exposure to various hazards.

Risk Assessment—The process of detecting hazards and their causes and systematically assessing the associated risks.

System—A composite, at any level of complexity, of personnel, procedures, materials, tools, equipment, facilities, and software. The elements of this composite entity are used together in the intended operational or support environment to perform a given task or achieve a specific mission requirement.

System Safety—The application of engineering and management principles, criteria, and techniques to achieve acceptable mishap risk, within the constraints of operational effectiveness and suitability, time, and cost, throughout all phases of the system life cycle. (Military Standard 882D)

Attachment 2

ORM QUARTERLY FOCUS REPORT

1. ORM Quarterly Focus Report from _____ (respective group)

2. Some of the specific ORM areas/topics covered during your Focus Day were:

_____.

3. Any highs or lows encountered:

_____.

4. Recent examples / success stories

_____.

5. Training status:

a. Total number of assigned group personnel: _____ (excludes tenants) Note: accurate numbers of assigned personnel can be obtained from the 89 MSS/DPMD.

b. Present # of group personnel with annual ORM training accomplished: _____

c. Percentage with ORM training: _____