

# Glossary of Terms

- Activity Standards** Standards that focus on activity undertaken to achieve a particular result regardless of the success of that activity. (such as number of calls fielded, site visits, classes taught, etc.)
- Business Risk** Risk that is inherent to the operations of a particular organization, including the possibility of loss, no loss or gain.
- Chief Risk Officer (CRO)** Newer title denoting a senior manager with day-to-day oversight of enterprise risk management.
- Cost of Risk** The financial impact of an organization from undertaking activities with an uncertain outcome. The cost of managing risks and incurring losses.
- Cost of Risk** The total cost incurred by an organization because of the possibility of accidental loss.
- Enterprise Risk Management** An approach to managing all of an organization's key business risks & opportunities with the intent of maximizing shareholder value.
- Hazard Risk** Risk from accidental loss, including the possibility of loss and no loss.
- Inherent Risk** The risk to an entity in the absence of any actions management might take to alter either the risk's likelihood or impact.
- Loss Exposure** Any condition that presents a possibility of loss, whether or not an actual loss occurs.
- Metrics** Measuring the effectiveness and/or success of risk mitigation strategies.

**Opportunity** The possibility that an event will occur and positively affect the achievement of objectives.

**Post-Loss Goals** Risk Management Goals that should be in place in the event of a significant loss (such as: Survival, Continuity of ops, Profitability, Earnings Stability, Social Responsibility, Growth.)

**Pre-Loss Goals** Risk Management Goals that should be in place even if no significant losses occur.

**Residual Risk** The remaining risk after management has taken action to alter the risk's likelihood or impact.

**Results Standards** Standards that focus on achievements regardless of the efforts they require. (measured in dollars, percentages, ratios or number of losses or claims.)

**Risk** Uncertainty about outcomes that can be either negative or positive.

**Risk Acceptance** No action is taken to affect risk likelihood or impact.

**Risk Analysis** Identifying, describing and estimating risks, and developing a risk profile.

**Risk Appetite** An organization's tolerance for risk. The broad-based amount of risk MCCCCD is willing to accept in pursuit of its mission (or vision).

**Risk Assessment** Determining the impact of an identified risk on the organization. Risks are assessed on an inherent and residual basis.

**Risk Management** The process of making and implementing decisions that will minimize the adverse effects of accidental losses on an organization.

**Risk Management Policy Statement** A tool for communicating the goals of the risk management program and the roles that people throughout the organization have in achieving the organization's risk management goals.

**Risk Management Program** A system for planning, organizing, leading and controlling the resources and activities that an organization needs to protect itself from the adverse effects of accidental loss.

**Risk Mitigation** Actions which reduce a risk or its consequences.

# About the Authors

## About Marcus Goncalves, Ed.D.

Dr. Marcus Goncalves has more than 25 years of international management consulting experience in the U.S., Latin America, Europe, Middle East and Asia. Dr. Goncalves is the former CTO and earlier on CKO of Virtual Access Networks, which under his leadership, and project management skills, was awarded the *Best Enterprise Product* at Comdex Fall 2001, leading to the acquisition of the company by Symantec. He holds a master's degree in CIS, a BA in Business Administration, and a doctoral in Educational Leadership from Boston University. He has more than 45 books published in the U.S., many available internationally, in Brazil, Japan, China, Taiwan, Germany, Spain and Romania. He's often invited to speak on these subjects worldwide. Marcus is an Associate Professor and the International Business Chair at Nichols College. He also teaches at Boston University and Brandeis University. He is a visiting professor teaching MBA Project Management courses at Saint Joseph University, in Macao, China, where he also advises on graduate researches. He can be contacted via email at [marcus.goncalves@nichols.edu](mailto:marcus.goncalves@nichols.edu) or at [marcusg@mgcgusa.com](mailto:marcusg@mgcgusa.com).



## About Raj Heda, PMP

Raj Heda has about 15 years of work experience in various Information Technology areas with broad consulting, leadership, teamwork and project management skills. He is well versed in professional services, software product development, managing client relationships and agile, and PMP coaching. He works with edX, the joint initiative of MIT and Harvard, as a Senior Program Manager leading the PMO office. He holds certifications for Project Management Professional (PMP) and Certified Scrum Master (CSM). He has 11 patents to his credit. He teaches classes on Project Management, Web Design, Information Systems Analysis and Design, IT Perspectives and Leadership to Masters and MBA students at Boston College, Boston University and Brandeis University. He has co-authored a book on Agile Project Management with Marcus Goncalves.

