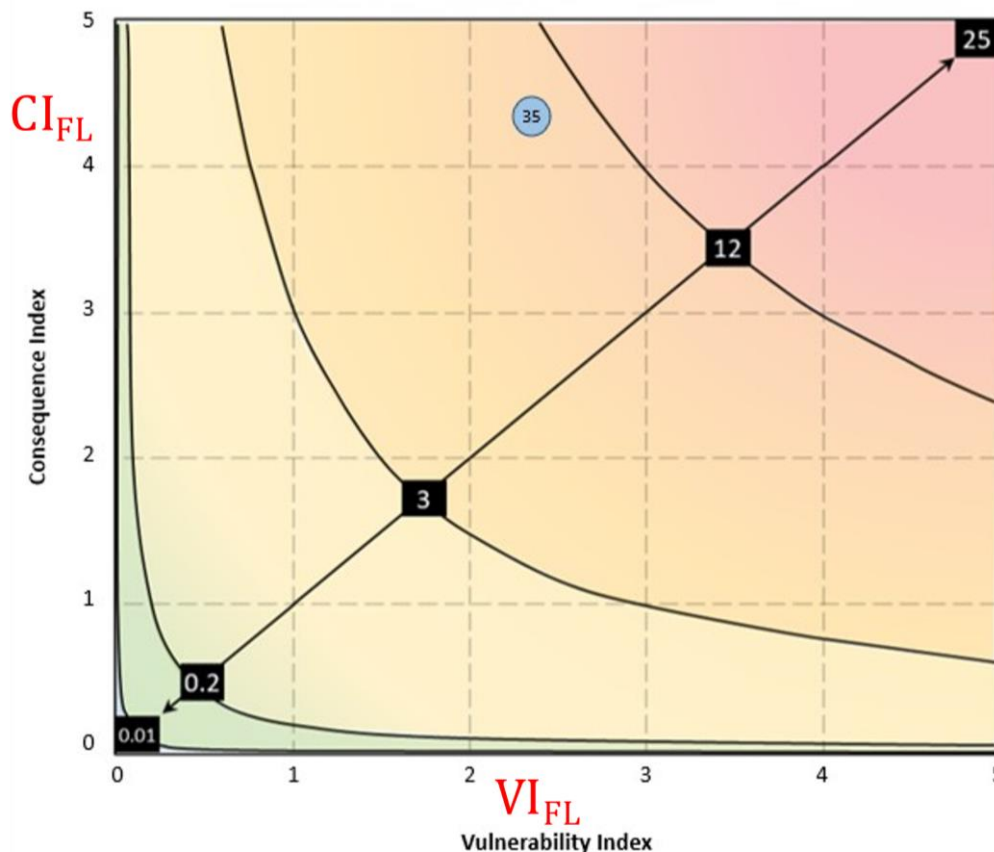


Vulnerability-Based Risk Management (VB_{RISK})



Looking for a rational way to allocate capital for your projects? Meco has developed a multi-faceted vulnerability-based risk methodology (VBRM) to assist with your decision-making process. The outcome of the vulnerability risk evaluation is a familiar formula: Risk as the product of consequences and incident occurrence

$$VB_{RISK} = CI \times VI$$

The VBRM results in a 5x5 matrix that illustrates risk to an individual structure, risk to a system or risk to a portfolio. The method catalogues both consequences and vulnerabilities into groups, and then categories. The basic Consequence Index has two groups and seven categories. The seven categories are all assigned a parabolic rating from 0 to 5 as the CI, and the groups CI is either the category CI can be an arithmetic average, weighted average or even a maximum value. The choice will depend on your risk tolerance.

Vulnerabilities are more variable than consequences and the basic method has 5 groups and 23 categories. The VI for each category is the product of concern rating and frequency of occurrence. Other factors include the amount of safety mobilized in realizing the vulnerability, and ration of risk to overall portfolio risk.

Would You like to understand your vulnerabilities Better? Call or email!