Define the Context: In this phase, homeland security personnel should establish risk management goals and objectives and identify relevant stakeholders and the constraints under which they are operating. These goals, objectives, stakeholders, and constraints influence the design of the risk analysis process.

Identify Potential Risk: Identifying potential homeland security risk requires answering the questions of “risk from what” and “risk to what”. This is achieved by identifying potential threats and hazards, vulnerabilities, or consequences that may impact a particular system, asset, geographical area, or function that is the subject of the decision being made.

Assess and Analyze Risk: During this phase, identified risk is assessed and analyzed so the results can be used to inform the development of alternative risk management strategies. This phase involves assessing and analyzing risk in terms of threats, vulnerabilities, and consequences of a potential incident, event, or occurrence. This phase also involves prioritizing risk, so that risk management alternatives can be considered in light of limited resources.

Develop Alternatives: Alternative risk management strategies are potentially appropriate responses to identified risk. They are developed and then evaluated in terms of their projected risk reduction and cost effectiveness. Because of resource constraints, it is likely that more alternatives will be identified than can actually be implemented.

Decide and Implement: Risk management requires decisions about best options among alternatives with uncertain outcomes. A key event in the risk management process is when decision makers review and select available alternatives for managing risk and makes decisions on what to implement. Risk information is usually one of many factors decision makers consider and is not necessarily the sole factor influencing the decision.

Evaluate and Monitor: This phase focuses on evaluating whether the risk management actions taken were effective. This phase uses effectiveness criteria to report on performance and results. The outcomes from the evaluation process feed back into the first phase of the risk management cycle, Define the Context.

Risk communication underpins each phase of the risk management process.