



Everyone's Smart University

Project (Spring 2021)

Student Name	Abdulrahman M. Alserhani	اسم الطالب
Students I.D	2021201953	الرقم الجامعي

Section

Master

Date

Thursday

18 / 03 / 2021.

Course Code

(PMG510)

Project Risk Management

Instructions:

- اخر موعد للتسليم هو يوم السبت 2021-05-08 في تمام الساعة ٩ مساءً.
- الإجابة متاحة باللغة الإنجليزية أو اللغة العربية مع مراعاة أن تكون المصطلحات العلمية باللغة الانجليزية.
- يتم تسليم المشروع في صيغة ملف pdf مع الالتزام نموذج الجامعة ولن تقبل أي مستندات أخرى.
- يجب مراعاة أقسام البحث الرئيسية (مقدمة Introduction، دراسات علمية سابقة Literature Review، طريقة البحث Methodology، النتائج والمناقشة Results and Discussion، وأخيراً المراجع References. وإن كان هناك ملحقات Appendices يتم إضافتها)
- يجب الالتزام بـ Theme موحد كما يلي:
- حجم الخط 12.
- نوع الخط Arial.
- لون الخط أسود.
- المسافة بين الأسطر 1.5 line spacing
- عدد صفحات البحث (لا يقل عن ثلاث صفحات ولا يزيد عن ست صفحات).

Instructor's Name: Eng. Mosaab M. Hamed

Development and Implementation of Risk Assessment System

Introduction:

My research in Advanced Project Management subject was about the Creation, development and implementation in our petrochemical company.

The implementation of the risk assessment on all risks all over the company's facilities and activities has the following advantages:

- Improving the identification of threats (risks with a negative outcome for the business) and opportunities (risks with a positive outcome for the business)
- Allocating resources to risk management activities more effectively
- Increasing the likelihood that your organization will achieve its strategic goals due to better oversight and governance.

In this research, I will spot the light on the risk of having this new system of risk management.

Literature Review:

In March 13, 2020, risk assessment study established about the risks of changing the way of managing the risks. The author said:

Changing how you manage risk in your organization can be a big upheaval. There are many people to train in new methods and terminology. There is process documentation to be rewritten. And that's on top of the bulk of the work of creating a gap analysis to establish how to do the move in the first place.

You might face challenge from senior leaders in the organization who don't see the value in changing the way risk is managed. If the way you manage risk is perceived to be adequate already, going through a large risk re-engineering program might not be considered a priority – especially if you can't easily tie back the work to a tangible ROI.

The changes we're talking about aren't cosmetic. It's not simply a case of updating the language in your risk documentation to ensure it's using the new standard vocab. In reality, you're looking at a complete review of your current processes and practices.

The new standard might not easily fit to what you are doing already, so you could have to introduce new ways of working. And the standards might need customizing to your industry or business. All of this takes time and investment. [1]

In addition, it is important to understand the mistakes made during the conduction and challenges of risk assessments. These are some common mistakes and challenges made and seen:

- Lack of a common definition of critical risk terms.
- Lack of executive management support for the risk assessment.
- Lack of established ground rules for conducting the risk assessment.
- Lack of cultural or context understanding of the organization, function, or process being risk assessed.
- Lack of technical understanding of the organization, function, or process being risk assessed.
- Lack of involvement of critical risk assessment.[2]

Methodology:

First, it is Important to know the disadvantages of the risk assessment program:

- Qualitative risk assessment is subjective and lacks consistency.
- Unlikely events do occur but if the risk is unlikely, enough to occur is maybe better to simply retain the risk and deal with the result if the loss does in fact occur.
- Spending too much time assessing and managing unlikely risks can divert resources that can be used more profitably. [3]

In this part, I will spot the light on the third point, which is the time wastage.

The time wasting on risk assessment preparation and collecting the data might lead to serious impact. Especially in petrochemical companies which dealing with very hazardous type of process and material.

Therefore, this point may cause huge impact on the budget and the cost of the repair of the issue.

To have this disadvantage become an advantage, there must be clear procedure and train all organization member on the risk assessment program.

Results and Discussion:

As discussed before, the implementation of the new program will have many risks and verify probability and impact.

In the below table, risk listed with its probability to clarify the Expected Monetary Value (EMV):

SN	Risk	Probability %	Impact (SAR)	EMV (P*I)
1	Product loses increase due to time wastage on RA conduction	20%	-1,000,000	-200,000
2	Training cost of the company employees on the new system in case of failure	10%	-750,000	-75,000
3	Company reputation and media impact on the company products	5%	-1,200,000	-60,000
4	Improving the employees and system on new and effective practice to improve the productivity	40%	3,600,000	1,440,000
			650,000	1,105,000

As shown on the above table, the implementation of this system will benefit back the organization by 1,105,000 SAR at the best situations.

In simplest terms, a risk assessment helps an organization to strengthen its security. Nevertheless, this in-depth evaluation offers many more specific benefits that prove invaluable to any organization.

Here are some benefits of a risk assessment, for the company and for everyone:

- Improve planning.
- Determine new security requirements.
- Educate the employees.
- Increase the motivation.
- Improved communication and decision-making.
- Boost productivity.
- Help make budget choices.
- Document due diligence.
- Justify budget spending.

References:

- [1] Canadian Centre for Occupational Health & Safety, CCOHS, February 15, 2017.
- [2] CERM® Risk Insights series Article by Greg Hutchins, Editor.
- [3] Kevin E. Peterson, in the Professional Protection Officer, 2010.