

Everyone's Smart University

Project (Spring 2021)

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Section	Date	Course Code
Master of Project Management	Sunday 16 / 05 / 2021	(PMG510)

Project Risk Management

Project:

Risk Identification and Analysis (Based on the project you chose in APM)

The objective of this report is to identify project risks, prepare a risk probability matrix, and carry out an analysis of selected risks. Referring to the project you select in **Advanced projects management APM course**, your task is to prepare a risk management plan that identifies potential risks in **the selected stage of the project** and identify risk management strategies.

From the course content and readings, you know that the overall purpose of risk planning is to anticipate possible risk events and be ready to take appropriate action when risk events occur—to eliminate or reduce negative impacts on the project.

You may wish to begin this exercise with a brainstorming about potential risks to get candidate risks “on the table” for consideration. And then identify and refine that wording for risks that have some realistic chance of occurring in this stage. For example, potential weather problems present a real obstacle to completing field data collection by the planned completion date. It is also an issue that the project manager will ultimately have to plan for, as opposed to other issues such as a major disaster (e.g., your office burning down), is not a high-enough probability event that requires much time in planning. As described below, you will select several of the identified risks and carry out a risk analysis.

You will use the distilled list of risks to make a risk probability/impact matrix. The matrix will have at least three categories (high/medium/low) for probability and impact.

Remember that it is important to name risks effectively—use words that describe the risk event and point to the impact on the project (e.g., “injury of field technician disrupts data installation work”).

After completion of the risk matrix, document a risk analysis for the selected risks. This detailed documentation for that selected risk will include:

- a description of the risk and potential impacts (schedule, quality of work, cost, etc.) on the project.
- indicators or triggers that would be monitored to help identify the risk as early as possible.
- specific risk response strategies to take.

Using probability and impact matrix calculate the **Expected Monetary Value (EMV)** for all risks that have the impact in terms of cost \$\$.

The Answer:

Background

There are many risks associated with a project that could have an effect on the organization's financial and non-financial results. If such risks are not assessed at the appropriate time, it can result in a significant loss in the form of increased stakeholder grievances, a lack of creativity, transparency, and accountability, or even bankruptcy in the worst-case scenario. The purpose of the following assignment is to identify, and assess diversified risks faced by the social environment project of Mr. B, while recognize the severity of risks. The following assignment would then surely help Mr. B to successfully provide food to 50 needy, homeless and poor people in the surrounding community.

Identify the Risks

While identifying the risk in the area of performance pressure, it was discovered that the project requires exclusive financial funds and donations from its stakeholders. However, the project owner, Mr. B, still needs transparency in the project, so each financial outcome must be justified. The project, on the other hand, is in the Caution Zone.

When looking at the situation, it is clear that, while Mr. B's project has a strong desire to expand, it also needs to invest in its people in terms of training and growth. Via successful reward and appreciation, the project invests in its people. As a result, the project was placed in the Caution Zone.

The project has a low score in this sector, and one explanation for this may be that the project has lowered its job requirements and hired many young, inexperienced team members in

order to achieve a high sustainable role. All of the newly recruited workers have a limited amount of experience or none at all. As a result, the project is deemed to be in a danger zone, which may lead to the project's demise.

The project seems to be well behind in terms of rewarding risk-taking actions and method. It is more critical than the project's inability to encourage innovative practises or introduce creativity to the market. One of the main reasons is that the collaboration atmosphere does not encourage team members to coordinate with one another, share ideas, and come up with innovative and creative solutions.

Probability of Risks

The Risk Probability Matrix is presented below,

Identified Risk Factors	Probability	Impact	Expected Monetary Value (EMV) (Probability X Impact) \$
Pressure for performance	3.0	4.0	12.0
Rate of expansion	3.0	3.0	9
Inexperience of key team members	1.0	2.0	2.0
Rewards for entrepreneurial risk taking	3.0	2.0	6
Issues in Relationship Building	1.0	2.0	2.0
Cultural Difference of perception	2.0	1.0	2.0
Differences in mindsets	1.0	1.0	1

One of the main reasons for the project's average role is that the owner recruits novice team members in its delivery department on a regular basis. It could provide food to those in need, but it would come with a slew of disadvantages. Team members with little experience can be able to contribute their talents if they inquire and collaborate with senior management or colleagues. On

the other hand, due to a lack of corporate expertise, team members with little experience may not only trigger a decrease in distribution levels, but may also follow certain unacceptable or immoral methods of delivering or distributing food (Eriksson and Kadefors, 2017).

Furthermore, the project does not invest in the training and growth of its employees, and it hires a large number of inexperienced staff. In addition, the project places less emphasis on technology. It was discovered during the project that there is no well-defined contact mechanism for the owner to interact with team members and communicate the project's vision and purpose.

Furthermore, the project places little emphasis on the responsibility of its current community members, as well as how they adjust to improve long-term success. It is critical for a project that requires consistent creativity in its practices.

Analyze the Risks

To get out of the danger zone, it is estimated that a significant change in practices is needed. According to Dunn, Calkin, and Thompson (2017), the project must train its individuals and conform their activities with legal norms and social practices in order to transition to the caution zone. Furthermore, in order to reach the safety zone, the project must cultivate a collaborative atmosphere and incorporate diversity into its activities, allowing all team members to benefit from one another. Overall, it is possible to conclude that the project is focused on increasing capacity but unable to concentrate on capability. According to Price et al. (2017), the project must invest in its people and have adequate preparation in order to transition to the safety zone. Otherwise, increasing the project's financial and non-financial return would be challenging, and it will enter the danger zone.

As a result, in order to get out of the danger zone, the project would need to implement a strict tracking and monitoring structure to track the success of its current team members. In addition, according to Dunn, Calkin, and Thompson (2017), the project must establish strict policies and procedures and ensure their compliance in a variety of areas, including human resource management. As a result, the project is able to pull out of the danger zone and view itself as a more fair and sustainable project. As a result, if the project is successful, it will be expanded to more cities and citizens in order to play a larger role in community success and at the global level.

References

- Dunn, C.J., Calkin, D.E. & Thompson, M.P. (2017). Towards enhanced risk management: planning, decision making and monitoring of US wildfire response. *International Journal of Wild land Fire*, 26(7) 551-556.
- Eriksson, T. & Kadefors, A. (2017). Organizational design and development in a large rail tunnel project—Influence of heuristics and mantras. *International Journal of Project Management*, 35(3) 492-503.
- Price et al. (2017). Repeat prescribing of medications: A system-centered risk management model for primary care organizations. *Journal of evaluation in clinical practice*, 23(4) 779-796.