



Everyone's Smart University

Project (Spring 2021)

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Project Risk Management

Risk Management Plan: ALROWAD School Website Project

Introduction

Developing and implementing an effective and well-defined risk management plan can help identify and address potential risk factors, improve the achievement of set goals and objectives, and augment the project success rates. Understandably, the Saint James School website project development provides a framework for improving communication and information dissemination, incorporating better and improved service delivery, and emphasizing quality and speed when dealing with stakeholders.

Achieving such goals and objectives can only be achieved with an effective risk management plan in place. The plan identifies potential risks in the project implementation process, determines their probabilities and potential impacts, and devises strategies for mitigating or managing the risks. The management plan incorporates risk probabilities and an impact matrix to understand the risk factors, helping develop comprehensive frameworks for achieving set goals and objectives.

Risk Identification in Project Implementation

The risk management process has identified several factors (or practices) that pose a considerable threat to the project implementation process. For the project to be successfully implemented, the risk factors must be mitigated, primarily by reducing their risk of occurrence or the potential impact on the implementation process. The following encompasses the risk factors identified for the Saint James School website project.

- Continuous modifications on every stage of the implementation process may interfere with completion time and project scope.
- Failure to correctly estimate the resource requirements may put a hold on the project implementation process, mainly before the project is completed.
- Too many decision-makers may contribute to bottlenecks and delays in deciding on the best course of action, affecting project scope and costs of implementation.

- Communication and information dissemination lags may interfere with the decision-making process and extend the project completion time whilst increasing the estimated costs.

Probability and impact risk matrix

	<i>Negligible (1)</i>	<i>Minor (2)</i>	<i>Moderate (3)</i>	<i>Significant /Major (4)</i>	<i>Catastrophic (5)</i>
<i>Almost Certain to happen (5)</i>	5	10	15	20 <i>Augmented number of decision-makers</i>	25
<i>Likely to happen (4)</i>	4	8	12	16 <i>Project creep</i>	20
<i>Possible (3)</i>	3	6	9 <i>Ineffective communication frameworks</i>	12 <i>Poor estimations on resource requirements</i>	15
<i>Unlikely to happen (2)</i>	2	4	6	8	10
<i>Rare (1)</i>	1	2	3	4	5

The risks above pose considerable threats to the successful implementation of the Saint James School website project if not addressed. However, understanding and prioritizing the risks is possible by developing a probability and impact risk matrix, as illustrated above. The green areas illustrate low risks, pale yellow for moderate risks, orange boxes for high risks, and red region for extreme risks.

Risk Analysis and Management

Project Modification and its Impacts on Project Outcomes

Developing, implementing, and actualizing the Saint James School websites faces a significant risk factor associated with continuous modifications (also scope creep) throughout the life cycle. In terms of probability, the project is likely (4) to occur during the project implementation process and would have significant (4) impacts on the project outcomes, schedule, and quality of work. Based on the probability and impact matrix, the risk's probability (4) multiplied by the potential impact (4) results in extreme risk (16) in the implementation process. This is considered a high priority risk, which must be addressed swiftly to improve the project success outcomes. Understandably, the risk factor would contribute to numerous implications on the project implementation process. For instance, continuous modifications of project requirements and scope may reduce the quality of work, extend the project delivery time, and result in augmented overhead costs. Studies illustrate that scope creep, an important term used to describe this risk, can reduce project team's productivity, result in wastage of resources, missing deadlines, limited project success, and poor communication among team members (Safapour & Kermanshachi, 2019). Therefore, identifying risk indicators earlier on and implementing mitigation measures can help reduce the risks.

In most cases, preventing and addressing risks associated with continuous modifications of the project scope during the implementation process requires understanding how to identify possible triggers on time. In that regard, several factors to look for may encompass stakeholders involved in the decision-making process, clarity of customer ideas and expectations, and a comparison between interest groups vs. power. Paying attention to the mentioned factors can help project managers identify possible causes of project creep and devise strategies for addressing them in advance. When not addressed properly, these factors may contribute to bottlenecks in the decision-making process, poor coordination of activities, delays and lags in decision-making process, and poor scheduling. Therefore, developing strategic frameworks to minimize the risks' probabilities and impacts would be crucial for the project. The project team (collaborating with the administration) should account for the needs of all stakeholders, ensure clearly defined goals and objectives before starting the project, develop a

contingency plan, prioritize communication, focus on continuous team building, manage disputes, emphasize material and quality management, and progressively partner with different stakeholders to reduce the impacts of scope creep. Such strategies can help mitigate the probabilities and possible impacts of project creep.

Flawed Estimations on Resource Requirements and its Impacts on Project Success

Estimating the resources needed (both human, equipment, and financial) to effectively implement and successfully complete the ALROWAD School website project is a prerequisite for better outcomes. In most cases, failure to estimate the number of resources required to complete a project may result in inadequacies. In such scenarios, the resources available (primarily provided by the customer) may not be sufficient to achieve the project goals and objectives. Since the probability of such an occurrence is likely (3), and when they occur, the impacts would be significant (4), such a risk exhibits a high-level risk (12) in the implementation process as evaluated based on the probability and impact risk matrix. Thus, it is crucial to understand the identifying indicators and the causal factors, crucial to developing effective mitigation strategies.

Understandably, this form of risk can be identified by paying much attention to the management processes and availability of resources. A poorly planned project would be an earlier illustrator of poorly estimated resource requirements. Furthermore, insufficient resources can indicate a flawed resource planning process. Identifying the mentioned factors earlier on can help improve the project implementation process. Importantly, inaccuracies in resource requirements estimations may have immeasurable impacts on project outcomes, scheduling, quality, and success. Since it contributes to inadequate resource availability, such a scenario would result in low-quality deliverables and extension of the project timeline. Sometimes, the project may not be completed altogether. Therefore, implementing strategic frameworks can help address such risks. Interestingly, project managers can shift resources from non-critical to critical tasks, minimize the resource requirements, split and prioritize deliverables, and seek more support.

Implementing such responses would help mitigate the impacts of flawed estimations in resource requirements.

Too many decision-makers affecting the decision-making process

An augmented number of decision-makers pose significant risks to the decision-making process. Studies have shown that – in some cases – the lack of consensus between team members and stakeholders may affect the project implementation process. Increased communications channels may also increase the time take for a project team to make critical decisions and threatens project completion time and resource allocations. The probability and impact of such risk occurring for our project are almost certain (5) and significant (4), respectively, which contributes to an extreme risk (20) in the project implementation process. For instance, the need to acquire resources or approval from stakeholders, especially the ICT department, may take longer than expected. Besides, the department head may be required to seek further approval from superiors before making decisions, delaying the whole process. In that regard, delays in the decision-making process may contribute to extended timelines, uncertainties regarding project outcomes, and delays in project delivery. Thus, identifying common indicators of decision-making delays can help alleviate the problem. For instance, dealing with a bureaucratic organization such as ALROWAD School is a significant illustration of possible decision-making and communication bottlenecks. For any course of action, approvals must be sought from different departments such as ICT, administration, finance, and procurement. Therefore, implementing a strategic mitigation strategy can help the project team navigate such risks and achieve victory through successful project outcomes, quality deliverables, and adherence to the timeline. The most effective response strategy for this risk is waiting for approvals before starting the project and seeking alternative resources while awaiting the organization to provide funds for the projects, achievable through loans from banks.

Ineffective communication frameworks and their impact on project implementation

Implementing an ineffective and impractical communications framework may cause delays in executing project tasks, affecting the project outcomes. In the case of the ALROWAD School website project, the probability of this occurring is possible (3), while the impact on the project would be moderate (3), illustrating a high risk (9) level based on the probability and impact risk matrix. In that regard, such risks may pose a considerable threat to the decision-making and project implementation process. Besides, studies have shown the need for effective communication between members and stakeholders. Timely information dissemination speeds up the decision-making process improving adherence to project timelines and approving allocation requests. Without such communication, delays are inevitable, and a possibility exists that the project may not be completed on time. Since this poses a considerable high risk to implementing the ALROWAD School website project, identifying significant indicators to such risks can help develop longstanding strategic frameworks for addressing the problems. Possible indicators of ineffective communication frameworks in project management encompass poor planning, conflicting schedules, missed deadlines and late project deliveries, work overload, and unavailability of resources (Shakeri & Khalilzadeh, 2020). However, establishing mitigation strategies can help mitigate the impacts. For instance, the project should incorporate a well-formulated and structured communication platform detailing messages, means of communication, frequency, and channels. The frameworks can improve information dissemination among different stakeholders.

Calculating the Expected Monetary Value for all Risks

The following illustrates the formula for calculating the EMV

$$EMV = \text{Probability (\%)} * \text{Impact (\$\$)}$$

Therefore, the EMV for the identified risks is shown in the table below;

<i>Risk Name</i>	<i>% Probability</i>	<i>Impact \$\$</i>	<i>EMV</i>
<i>Scope Creep</i>	75	1000	750

Poor Resource Estimations	50	1500	750
Increased decision-makers	90	1200	1080
Ineffective communications	50	500	250

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