



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Project (Spring 2021)

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Section

Master

Date

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Course Code

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Project Risk Management

Instructions:

- آخر 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 line spacing 1.5
- عدد صفحات البحث (لا يقل عن ثلاث صفحات ولا يزيد عن ست صفحات).

Instructor's Name: Eng. Mosaab M. Hamed

Risk Analysis of Home Bakery Business

1. Introduction

The project is establishing a small bakery in my house. As I am a passionate in baking and cooking, I have decided to start a small business as a beginning of my dream to have a well-known bakery in the town. I want to start this business in the beginning in home due to the lack of budget, experience, and time as I am a full-time employee. In the beginning, I will take a fixed number of orders and it will be in the weekends to manage my schedule and maintain the quality and the number of orders will be increased gradually. I need this business to have additional income to help establishing a big bakery in the future. The equipment will be suitable for a home business such as the oven, the mixers, fridge and so on within the budget and the space I have. I will start with an Instagram account only and managing the orders through the WhatsApp. First, I have search for all equipment and materials I need within the budget I have. The project is currently in the initiation Phase. Since I am the project manager, I will be responsible for the project quality which will affect the exaction phase. Risk management is the approach chosen to understand, identify, and evaluate risks in a project (Joni & Putu, 2012). Risk during the planning phase is very important to be identified in earlier stages to be avoided.

2. Literature Review

The importance of the planning phase is impeded in comparing it with relevant projects to understand more about the project field [2]. Furthermore, during this phase many values being added to the project which will affect it to be implemented successfully [2]. Focusing on the time, quality, cost, scope and recourse to be evaluated in a successful project management [3]. There are many critical success factors have been identified, in my case project mission is defined as “initial clarity of goals and general directions” [4], this is very important to understand my mission and goals of starting the bakery from home as a small business prior of opening a large bakery. In this phase the success is very important as it will affect the continuity of the main project, and since there is a relationship between the success of the project and the project efficiency. The traditional dimension of the project efficiency: time, budget, and scope. [5]. Scope is being most effective role since it has a significant impact on the customer and their satisfaction [5]. Project manager has to use the assessment during the planning on many aspects of the planning and during all the project phases. [5]. There are many stages of the risk management process, one of them is risk identification by analyzing risk sources, then risk analysis by assessing the possible risks and arising risks, the third one is plan of action by implementing further plans, finally is controlling by measuring, supervising, and ensuring that management plans remain relevant [1].

3. Methodology

I concern study risk management through the 8Rs and 4Ts, that will help in finding the probabilities of the business risk and the impact. First step is the Brainstorming to identify all the possible risks as list below:

No.	List of Risks
1	Customers cancelling orders after the order ready
2	Damaged products
3	Damaged supplements
4	Expired products prior of using them

Identifying risks:

Abbreviation: (L: low; M: medium; H: high)

Description	Risk			Preventing and Mitigating Risks
	P	S	P*S	
Customers cancelling orders after the order ready	4	4	16	Take a deposit half of the total order.
Damaged products	3	3	9	Making sure to follow the recipe appropriately
Damaged supplements	2	2	4	Take a warranty from the supplier to help reduce the maintenance fees
Expired products prior of using them	2	2	4	Take the products from the supplier within the scope of the monthly orders and check the expiration date monthly

Risk Matrix:

Post identifying the risks, I have evaluated the severity so we can start analyzing the response plans for each risk listed above and to mitigate their impacts. I have used the Risk Matrix to calculate the severity:

Risk probability	Risk severity				
	Catastrophic 5	Hazardous 4	Major 3	Minor 2	Negligible 1
Frequent -5					
Occasional-4					
Remote -3		4	16 9		
Improbable-2				4	
Extremely improbable-1					

EMV:

No. Risk	P	I	EMV
1	20%	4000	800
2	30%	3000	900
3	20%	5000	1000
4	20%	3000	600

The total of EMV = 3300

Record of the risk:

The project manager and project committee issued the continuity of event preparations and evaluating further, the basic review and recommendation for the prospect of setting the counter date. Opportunity and keeping an eye out. Time is one of the four key choices. At the right time, the better solution. Both threats will be communicated to the project manager, who will directly notify stakeholders.

Risk contingency plan:

Risks description	Grade	Mitigation action
Customers cancelling orders after the order ready	A	Take a deposit half of the total order.
Damaged products	B	Making sure to follow the recipe appropriately
Damaged supplements	B	Take a warranty from the supplier to help reduce the maintenance fees
Expired products prior of using them	B	Take the products from the supplier within the scope of the monthly orders and check the expiration date monthly

A = Mitigation actions, to reduce the likelihood and seriousness, to be identified and implemented as soon as the project commences as a priority.

B = Mitigation actions, to reduce the likelihood and seriousness, to be identified and appropriate actions implemented during project execution.

C = Mitigation actions, to reduce the likelihood and seriousness, to be identified and costed for possible action if funds permit.

D = to be noted - no action is needed unless grading increases over time.

4. Results ad Discussion

Risk management analysis is an ongoing process which being assessed during the whole stages of the project. In this project the risk analysis has been analyzed from the planning and initiation stage of the project cycle. The risk decreases during the project life cycle. Risk Management is one of the basis of project successful since there is no project without any risk, as there are many risks type even the positive one. So, the risk management prevent the project from the failure with being identified during the project cycle.

Based on the result of EMV cost for the bakery. The numbers is approximately numbers and not exact cost, it was just evaluated based on experience. The total potential impact on the plan is 15000 SR, while the contingency cost is 3300 SR.

References

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