



Everyone's Smart University
Project (Spring 2021)

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Risk Management Project

In general terms, the risk is defined as the possibility of losing something valuable, and possibility that something would happen that would result in the loss of something important and preferable. Often the risk is considered the negative force that may result in the undesirable consequences which would impact the procedures of the business. According to Accastello, Blanc, & Brun, (2019), risk management in the project is the activity that may cause the negative impact and positive impact on the overall objective of the project. There is need to take some effective measures to control these risk that may have negative impact on the performance and efficiency of the projects in the short run as well as long run. Therefore, the managers of the organization use the process of project risk management to control the potential risks prevailing in the way of project management and completion of the project. The main purpose of managing the risks is to minimize the impact of risks on the proficiency and effectiveness of the project in progress and potential projects. Although, the project risk management process is almost similar for every organization, however, the type and magnitude of risk requires the different approaches to mitigate the risks. For the long term risks the management focuses on large amount of time spent for strategic planning and decision making. However, for short term risks the management focuses on defining the risks impact, and likelihood through High, Medium, and low prioritizing the risks.

Risks Associated with the “Social Mask Product Launch”

The Product Development requires the difficult projecting and strategy planning to see the long-term benefits of the project undermine. The social mask product launch includes risks associated with two phases product development risks and product launch risks and some external

context risks. Here are some risks that are associated with the “Social Mask Product Launch” identified in the process of the project (Berner, & Flage, 2017).

Increasing Economic Costs

The general belief of the managers in the project of product development is that fully employment of resources leads to the development of innovative products. As per the reports more than 98% resources of the available resources are utilize on the product development with the belief that the fully utilization of resources increases the performance of the product. This results in the increase of costs associated with the product development with no further improvement in the product performance. The same risk is with the development of social mask where there is risk of high economic cost associated with the utilization of more resources (Berner, & Flage, 2017).

Sticking to single development Plan

One of the key risks that is associated with the new product development and launch is the fear of unacceptability of the product in the market. Sometime the managers are rigid to stick to the single project plan without considering the needs and requirements of the target market. It happens when the company is unable to completely analyze the market demands. In this case, the new product is prone to failure in the eyes of customers irrespective of improved performance, and innovation. The same risk is associated with the development of social mask where the product may not be able to catch the interest of the customers targeted (Adnan, Ying, et al., 2020).

Product with too many features

The products that have more technical features, and complicated operating interfaces are prone to lose the sales for the business. the customer is more attracted and attached to easy going and user-friendly products than complicated ones. The social mask is not a simple mask but has

multiple features ranging from Bluetooth, sensory abilities, and infection detections features which can be used with some certain knowledge of use of mask which may lead to loss of sales to the customers that would find it difficult (Adnan, Ying, et al., 2020).

Marketing Risk

One of the major product launch risk is the risk of marketing efforts failure. It happens when the marketing team planning is not in accordance with the requirements of the customers and target market. It would cause the severe problem in the successful launch of the product in the market and to the target customers. The social mask would have same risk about the misunderstanding of customers of the product.

Financial instability

The product development requires the huge funds to support the project financially. Project of any kind cannot be executed without the help of funds and constant financial support. Therefore, the project of social mask launch has the high degree risk associated with financial perspective where the project may not get finances for completion and failure to complete the project on time or completion with lags becoming inefficient.

Literature review

The common fact describes that the risks are considered in negative perspective where they have negative impact on the procession of the project (Berner, & Flage, 2017). However, taking the closer look into the magnitude and impact of these risk on the project may provide some positive perspectives by managing the potential risks with fair number of strategies and mitigation actions. The project management process is defined in simple processes and stages (Adnan, Ying, et al., 2020). First step to mitigate the risk is to identify the risk, the second is to analyses the risk with determining the likelihood of the potential risk. Then the magnitude of the risk is determined

through the combination of the likelihood and impact of the risk, this process is known as the evaluation of the risk. The next process is to mitigate the risk which is known as the treatment of the risk and can be possible through the use of effective risk register. The last step involves the monitoring and reviewing the risk through effective actions.

Risk management Techniques

There are number of ways that the risk management of the project can be executed. By employing the secondary research and other sources, there are two sustainable ways of reducing, and managing the risks are identified. One of the majorly and widely used technique is the use of risk register which provides the feature of placing the likelihood, and impact of the risk with detailed description of the risk along the potential and effective mitigation actions. The other common approach that is used in respective of minimizing the risk impact is to divide the risks into types and manage the risk as per the type of risks. Usually, three type of risks are uncertain risks, hazard risks, and opportunity risks. The research Chang, Hwang, Deng, & Zhao, (2018), Proclaimed the claim that the opportunity risk should be embraced, uncertainly risk should be managed, and hazard risk should be mitigated.

Selection criteria between different techniques of Risk Management

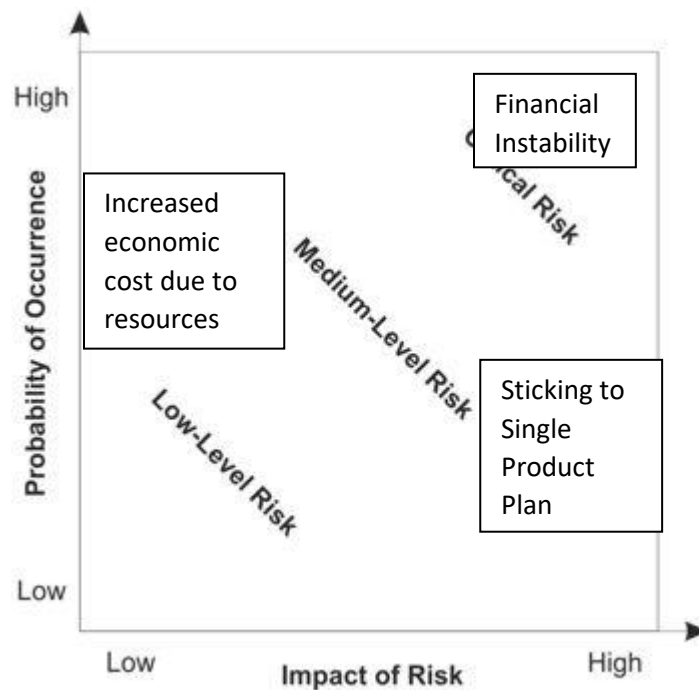
Selecting one of the reasonable and suited technique for the risk management is the task with high severity that may lead to more adverse consequences of the risk prevailing. Therefore, careful consideration should be taken while deciding on specific technique. According to Waghwal, & Agnihotri, (2019), Risk management technique should be selected based on the life cycle of the risk. The risk that may have impact on the project and organization for long period should be mitigated using the careful strategic decisions. While the short-term risks can be

managed using the risk register technique where probability, likelihood, and impact of the risk is defined with high, medium, and low degree impact with the mitigation actions.

Risk Management Objectives

1. To reduce the impact of risk on the project
2. To manage the risk in way to convert it into opportunity

Risk Impact / Probability Chart



Impact:

- Financial -Critical Risk Ratings -90
- Single Product Plan-Medium Level Risk Ratings -60
- Economic Costs -Low Level Risk Ratings -30

Risk Classifications

Risk Description	Probability	Impact Rating	Score

The financial inability to support the product launch may have impact on the timeliness, and lags in the execution of the project	70%	Critical	90
Lack of deep understanding of the market needs and requirements may result in the failing for product to capture the interests of the customers	55%	Medium level	60
Increasing the utilization of resources to improve the performance of the product	35%	Low level	30
Total			180

EVM Calculations

Risk	Risk Probability (P)	Cost Impact (IC)	Risk Contingency (P*IC)
Financial Instability	0.7	\$3.500	\$2.45
Single Product Plan	0.55	\$15.00	\$8.25
Full resources Utilization	0.35	\$20.00	\$7.00

Discussion and conclusion

There are three major risks are identified that may impact the overall performance of the project that can be managed using the risk register tool. The financial instability can be controlled through effective budgeting of future costs this would ensure the overall projects cost that should be available to complete the project. The single product plan can be mitigated through investment

in the market research and deep understanding of the requirements of the customers. The fully utilization of resources can be managed through careful material badgering and production budgeting to ensure that the resources are not overly used. In all, the risk management framework can be huge help to the management to complete the project in time, with efficiency, and with improved material utilizations to avoid and mitigate potential risks.

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