



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Project (Spring 2021)

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Section

Master

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Project Risk Management

Introduction

In the Insurance Industry, multiple products are out in the market offering different coverage options for different kinds of consumers, whether it was a medical, motor property, casualty or even a customized insurance product. New products are always emerging in such fast evolving market, such observation can be easily conducted upon the Saudi market highlighting governmental changes and other drivers of a fast changing market. The project chosen to take place in this research would be the launch of a new Cyber Security Risk Insurance product.

It is well known that digitalization is a common objective for many projects rolled over different businesses and organization despite different nature and end goals of such projects. Along with such new and growing direction of projects, comes the great cyber security risk, and the project aims to launch a product that covers such risk with required studies, market research and marketing plans to ensure a proper launch. I was assigned as a project manager for this project and this paper is meant to illustrate the risks universe that surrounds the project and use risk matrix with likelihood and impact measurements in which serve categorizing those risks and outlining its treatment and controls. The project is currently in execution phase, which entails a more threatening level of risks as will be shown further below, and less optimistic opportunities as the the project is approaching its closure.

Literature Review

According to the ISO 31000 "Risk identification is the process of finding, recognizing and recording risks." A process associated to such function would be concerned with Project's risk management. Organizations of different sizes are keen to risk universe monitoring as it produces essential reports for higher management or decision makers providing them with a clear outlook on projects risks profile, and allowing them to accommodate to consequences of materialized risks in a timely manner.

In our project, risks are identified, recorded and monitored to establish a control log that enables efficient risk management. Such concept illustrated by PMI Risk Management standards, tools used to capture risk related data will be elaborated on further down this paper. Work packages break-down was provided at each stage of the project cycle and this paper will cover ones associated to execution phase where our project falls.

Methodology

In order to properly identify, record and monitor risks, while ensuring most suitable controls upon them, project manager (myself) has to produce a periodic risk management report that includes risk description, risk owner, likelihood, impact, inherent and residual risk rating, other stakeholders, risk mapping, and other risk related data.

To better serve purposes of risk management and reporting, PMO uses different risk management tools that are Excel based and includes above mentioned information.

These tools included but are not limited to the following:

- Risk Initiation Form (RIF)
- Risk Register
- Risk Control Self-Assessment (RCSA)

(Please refer to copies of tools attached in Appendices)

Data derived from this tools feeds directly into the periodic Risk Management reports that are submitted to project committee.

The first risk management report submitted to the committee in the execution phase captured the following risk:

- Financial risk of exceeding budgeted cost of launching the new product
- Strategic risk of not meeting projected sales and other actuarial projections.
- Operational risk of not accommodating required manpower to handle excessive sales.

The method of capturing these risks was to first record them in the RIF as the following

Risks Initiation Form (RIF)													
Risk Initiator: Abdulrahman Abdullah					Risk Initiator Title: Project Manager								
Risk Description	Root Causes	Consequences	Current Controls	Likelihood	Impact Assessment							Risk Rating	Proposed Risk Treatment
					Financial	Market share	Underwriting & claims management	Reputation & market perception	Customer service	Legal & regulatory	Human resources		
Financial risk of exceeding budgeted cost of launching the new product	deficiency of projected cost in initial budget	additional required payment to achieve same pre-set goals	None	a - Almost Certain	2 - Minor	1 - Negligible	3 - Moderate	1 - Negligible	2 - Minor	2 - Minor	4 - Significant	Low	activate cost cutting approaches and negotiate discounts in contracts involved
Strategic risk of not meeting projected sales and other actuarial projections.	deficiency of projected sales and actuarial studies	unanticipated sales whether higher or lower, can occur, causing operational business disruption	None	c - Possible	4 - Significant	1 - Negligible	1 - Negligible	1 - Negligible	1 - Negligible	1 - Negligible	2 - Minor	Medium	Review and ensure efficiency of projected sales periodically as well as actuarial analysis
Operational risk of not accommodating required manpower to handle excessive sales.	new nature of product to the whole market	not meeting required operational excellence causing distorted sales	None	c - Possible	2 - Minor	1 - Negligible	1 - Negligible	1 - Negligible	1 - Negligible	1 - Negligible	2 - Minor	High	train staff from close department with similar responsibilities to handle excessive sales if it occurs.

Afterwards, same risk data are transferred to risk registers with more emphasis on analyzing recorded risks.

Transforming such risks to risk registers is as the following:

Risk Register							
Risk Initiator: Abdulrahman Abdullah				Risk Initiator Title: Project Manager			
Risk Description	Likelihood	Impact	Inherent rating	Current Controls	residual rating	Risk Rating	Proposed Risk Treatment
Financial risk of exceeding budgeted cost of launching the new product	5	3	15	none	15 - since no control	Medium	activate cost cutting approaches and negotiate discounts in contracts involved
Strategic risk of not meeting projected sales and other actuarial projections.	3	5	15	Third party consultants are being contracted to elevate excellency of studies	10	Low	Review and ensure efficiency of projected sales periodically as well as actuarial analysis under contracted consultant supervision
Operational risk of not accommodating required manpower to handle excessive sales.	2	5	10	none	10 - since no control	Low	train staff from close department with similar responsibilities to handle excessive sales if it occurs.
Risk Initiator Signature:						Date:	

Results and discussion

The usage of mentioned tools and reports has resulted in showing a 10% negative deviation in timeframe, 34% negative deviation from estimated cost, and zero deviation from pre-set objectives,

Those deviations were timely reported to the Committee and consequences were well anticipated which enabled achieving a zero deviation from objective plan.

Moreover, controls were furtherly monitored through the use of RCSA templates which has more focus on assessing current controls and reporting on its results.

References

PMBOK® 6th Edition - PMI

ISO 31000 – international Organization of Standards