



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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Project Risk Management

Instructions:

- اخر 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. وان 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

Launching New Product within Cosmetic Products Line

1. Introduction

The organization seeks to launch a new product within the cosmetic products line as a result of the expansion of the market and the increase in demand for these types of products and changing in customer needs, which will increase market share for the organization. The organization wishes to provide an intensive feasibility study for the market and study and analyze the risks and opportunities arising from that in the early stages of project life cycle(Planning) to take the appropriate decision before launching the product on the market.

In fact, risk can be described as the probability of suffering harm or loss due to an undesirable event. Therefore, the risk management process plays an important role in reducing the effects of the risk as much as possible, and this is what will be discussed in this paper.

2. Literature Review

A recent survey of 280 product executives confirmed that new product launches conducted among members of the International Association for Product Marketing and Management (AIPMM) found that half of them acknowledge that 50% of their organization's product launches over the past three years have been successful in terms with more than 25% of total revenue and profits across industries stems from the launch of new products. [1]

To survive in the highly competitive market companies are under pressure to innovate, develop new products and satisfy consumers. [2] Like any business process, launching a new product is a risky exercise. It may be that your competitor is one step ahead in the game. Aside from known risks, companies are also threatened by unforeseen economic and political changes that can be devastating. In order to be prepared and cover all the bases, it is important for your organization to create strategic plans to address all potential risks and minimize their impact on product launch and success. [3]

The major categories of corporate risk in launching new product are summarized as Industry, Technology, Brand, Competitor, Customer, Project, and Stagnation. [4]

Risk matrix is one of the most used technique to represent likelihood, or probability, of an event and the consequence. [5] The cells in RMs are generally colored green, yellow, and red. Green means “acceptable,” yellow stands for “monitor, reduce if possible,” and red is “unacceptable, mitigation required.” [6]

3. Methodology

3.1 Tools and techniques

Risk management is the process of identifying areas of risk that could negatively impact the success of the project and proactively managing those areas. In the risk management methodology, there are three primary phases identified in the risk management methodology:

- ✓ Identify – What are the potential risks associated with this category?
- ✓ Assess – What is the potential impact, severity, and likelihood?
- ✓ Control – What reactive measures can be put in place to mitigate disruption?

In this paper will analyze the risks by qualitative and quantitative risk assessment tools for more understanding and extensive study.

Term	Description	High	Medium	Low
Likelihood	the probability of an event occurring	(41% to 100%)	(21% to 40%)	(0% to 20%)
Impact	the cost or consequence of failure	(26% to 100%)	(11% to 25%)	(0% to 10%)

3.2 Data Analysis

3.2.1 Identify the risks

By breakdown the big picture of the project and conduct internal research and using brainstorming to figure it out the potential risks as follows:

SN#	Potential Risks	Risk Description
1	Consumer Behavior	What consumers think and how they feel about various alternatives and external factors like media, economic status.
2	Competitors Growth	Growth of competitors in the market by offering similar services, and withdrawing customers
3	Product Quality	The technical and operational issues related to the product manufacturing does not meet expectations such as poor performance/design, poor ingredients/material, life of the product(expiration), and product odor.
4	Complex design	Complicated design of product for manufacturing, the expenses of the product development process exceeded the limits and budget forecast or complex way to use.
5	The durability of the product	is longer as it was planned and therefore the product could not enter to the market in a right time
6	Availability and usage of resources	Critical resources may not be available when required in the right time, low-skilled worker and subcontractors and supplies do not fulfill the schedule

3.2.2 Assess the risks

SN#	Risk	Likelihood	Impact	Cost Impact \$	Risk Contingency \$
1	Consumer Behavior	0.30	0.15	20k	6K
2	Competitors Growth	0.50	0.60	50K	25K
3	Product Quality	0.45	0.85	75K	33.75K
4	Complex design	0.20	0.25	25K	5K
5	The durability of the product	0.25	0.10	10K	2.5K
6	Availability of resources	0.35	0.40	15K	5.25K
Total (EMV)				195K	77.5K

3.2.3 Manage and control the risks

No#	Risk	Consequences/Impact	Indicators/Triggers	Response Plan (Action)
1	Consumer Behavior	✓ Decreased revenue ✓ Decline in purchasing ✓ Low market share	✓ Consumer purchasing ✓ Consumer behavior to other market ✓ Sales trend	✓ Social Media influencers to attract customers. ✓ Using customer relationship management (CRM) tools
2	Competitors Growth	✓ Decreased number of customers ✓ Lower profit ✓ Decline in sales	✓ Sales Growth ✓ Sales Trend	✓ High marketing tools ✓ Promotions and offers ✓ Creating competitive advantage
3	Product Quality	✓ Customer dissatisfaction ✓ Complaints and issues ✓ Rework cost ✓ Product failure	✓ Customer feedback ✓ Quality and testing results	✓ Trained Labor ✓ Periodic maintenance for the equipment ✓ QC/QA tools ✓ Proper material selection

4	Complex Design	✓ Poor use and customer complaints ✓ High operating cost and rework ✓ More funds needed	✓ Customer feedback ✓ Exceeding the budget limit ✓ Exceeding the time limit	✓ Clear and simple methods ✓ Clear way to use ✓ Statistical Sampling for testing ✓ Budget tracking tools with experienced people ✓ Contingency budget plan
5	The durability of the product	✓ Delay in launching the product in the right time	✓ Deviation from time schedule	✓ Partially launch in the markets ✓ Using online scheduling software
6	Availability and usage of resources	✓ Delay in production and launching ✓ No adequate resources ✓ Cost of materials purchasing ✓ Poor quality as a result of low-skilled labor	✓ High consumption ✓ High level of waste	✓ Supply scheduling ✓ Dealing with an alternative suppliers ✓ Trained Labor

3.2.4 Risks Matrix

	Impact	High	Medium	Low
Likelihood		26-100%	11-25%	0-10%
High	41-100%	Risk (2), (3)	Risk (1)	
Medium	21-40%	Risk (6)		Risk (5)
Low	0-20%		Risk (4)	

4. Result and Discussion

The most important process is managing the risk team and training it to monitor the progress of the project, predict the risk indicators and adhere to the agreed plan. After identifying the risks, analyzing them, evaluating each risk separately, and finding the appropriate response to mitigate the risks impacts. We can prioritize the risk according to its expected monetary value (EMV) and will focus most of our attention on these risks as follows:

SN#	Risk	Likelihood	Impact	Risk Contingency \$
1	Product Quality	0.45	0.85	33.75K
2	Competitors Growth	0.50	0.60	25K
3	Consumer Behavior	0.30	0.15	6K
4	Availability of resources	0.35	0.40	5.25K
5	Complex design	0.20	0.25	5K
6	The durability of the product	0.25	0.10	2.5K
Total (EMV)				77.5K

5. References

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