

Final Project

Prepared by Walid Soliman

Lecture 11

Risk Management



PMG 697- MPM – FALL 2021



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Plan and Control

Meeting Agenda

Month Day, Year

Details

Date: July 1st, 2016 @ 3pm PST

Location: Meeting Room, Video Call, or Phone Call

Call-In Details: 310-555-1234 or Web Link:

Please Read: What should all attendees have read prior to the meeting?

Please Bring: What materials are needed for the meeting?

Attendees

Meeting Called By: Janet Simpson

Notetaker: Justin Kim

Attendees: Hugh Larchmont, Jake Johnson, Oscar Isaac, John Smith, Mehrzad Farnoosh, Jane Doe, Anne Miller

Agenda

I. Old Business

- Summarize and recap what was discussed at the previous meeting.
- Include important points from the last meeting will help remind the team of previous discussions.
- What important action items or notes from the previous meeting needs particular attention?
- What's the status of each of these points? Pending? Needs review? Completed?

II. New Business

- What new items need to be discussed? Separate discussion points by major sections.
- Major Topic #1: Product Improvements
 - Are there specific subtopics to highlight?
 - Additional Subtopic
 - Additional Subtopic
- Major Topic #2: Service Updates
- Major Topic #3: Website Performance

III. Action Items

- What's in the pipeline? What needs to be done?
- List out actions that will help you and your team identify what needs to be improved.
- Clearly define who is in charge of what component.
- Example: Jake from the Marketing Team needs to define the user personas.

IV. Next Steps

- List out discussion points that were not addressed in this meeting and new ones that should be discussed after action items are completed.
- Example: By the next meeting, the Marketing Team will have personas completed. Designers will need to be briefed on the user persona research.

Project Change Order Request

Project name:

Requested by:

Date:

Request name:

Request number:

Change description:

Change reason:

Impact of change:

- **Scope:**
- **Budget:**
- **Timeline:**
- **Resourcing:**
- **Communications:**
- **Other:**

Proposed action:

Associated cost:

Approved by:

Date:

Change Request

A change request is a formal proposal for an alteration to some product or system.

In project management, a change request often arises when the **client** wants an addition or alteration to the agreed-upon deliverables for a project. Such a change may involve an additional feature or customization or an extension of service, among other things.

Change requests can also originate **internally**. Internal change requests can involve a wide variety of actions including patching and software and hardware upgrades.

Project Risks Management

Risk management is the process of identifying, assessing and controlling threats to an organization's capital and earnings. These risks stem from a variety of sources including financial uncertainties, legal liabilities, technology issues, strategic management errors, accidents and natural disasters.

Plan and Control

Risk appetite can be defined as 'the amount and type of risk that an organization is willing to take in order to meet their strategic objectives'. Organizations will have different risk appetites depending on their sector, culture and objectives. A range of appetites exist for different risks, and these may change over time.

Plan and Control

The risk threshold is defined as a project management tool to measure the degree of uncertainty and the level of impact which a stakeholder or organization may have interest. Simply put, it is **the amount of risk that organizations and stakeholders are willing to accept.**

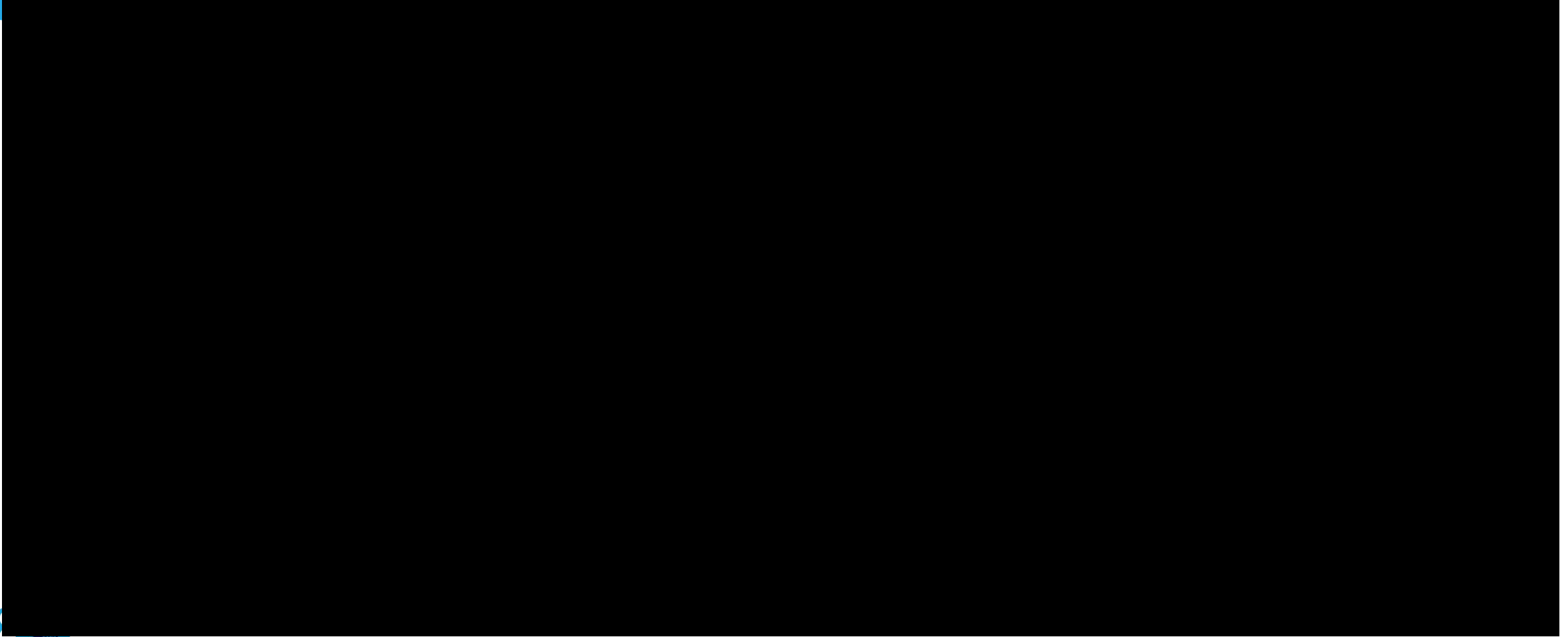
Plan and Control

Risk tolerance is the degree of variability in investment returns that an investor is willing to withstand in their financial planning. Risk tolerance is an important component in investing. You should have a realistic understanding of your ability and willingness to stomach large swings in the value of your investments; if you take on too much risk, you might panic and sell at the wrong time.

Risks Management

A risk register is a tool in risk management and project management. It is used to identify potential risks in a project or an organization, sometimes to fulfill regulatory compliance but mostly to stay on top of potential issues that can derail intended outcomes.

Project Risks Management



Project Risks Management

Risk exposure at a glance

What is risk exposure?

Risk exposure is the quantified potential loss from business activities currently underway or planned.

How is it calculated?

The level of risk exposure is calculated by multiplying the probability of a risk incident occurring by the amount of its potential losses:
$$\text{Risk exposure} = \text{risk impact} \times \text{probability}$$

Why is risk exposure important?

Risk exposure in business is used to rank the probability of different types of losses and to determine which losses are acceptable or unacceptable.

What are the most common types of risk exposure?

Brand damage, compliance failures, security breaches and liability issues.

Project Risks Management

Risk appetite vs. risk tolerance

If risk appetite represents the official speed limit of 70, risk tolerance is how much faster you can go before likely getting a ticket.



SOURCE: MIKE CHAPPLE. SPEEDOMETER: ONYXPRJ/GETTY IMAGES

©2021 TECHTARGET. ALL RIGHTS RESERVED 

Risks Management

What Is Included in a Risk Register?

Risk registers may vary depending on the organization and the project. However, most risk register templates share these commonly used elements:

- **Risk identification ID:** A name or ID number to identify the risk.
- **Risk description:** A brief explanation of the risk.
- **Risk breakdown structure:** A risk breakdown structure is a chart that allows you identify all your project risks and categorize them.

Risks Management

What Is Included in a Risk Register?

- **Risk categories:** There are many risk categories that can impact a project such as schedule, budget, technical and external risks.
- **Risk analysis:** To determine the probability and impact of a risk. You can either do a qualitative risk analysis or a quantitative risk analysis.
- **Risk probability:** You'll need to estimate the likelihood of each risk and assign a qualitative or quantitative value.
- **Risk priority:** The risk priority is determined by assigning a risk score to each risk, which is obtained by multiplying the risk impact and probability values. If you're using qualitative measurements, you'll need to prioritize risks with the highest impact and highest probability.

Risks Management

What Is Included in a Risk Register?

- **Risk response:** Each risk needs a risk response to mitigate its effect on your project. Those risk responses are also documented in a risk response plan.
- **Risk Ownership:** Each risk needs to be assigned to a team member who becomes a risk owner. The risk owner is responsible for deploying the appropriate response and supervising it.

Qualitative Risk Analysis is Subjective

It focuses on **identifying risks to measure** both the likelihood of a specific risk event occurring during the project life cycle and the impact it will have on the overall schedule should it hit. **The goal is to determine severity.**

		Likelihood				
		1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Consequences	5 Catastrophic	5	10	15	20	25
	4 Major	4	8	12	16	20
	3 Moderate	3	6	9	12	15
	2 Minor	2	2	6	8	10
	1 Negligible	1	2	3	4	5
Risk =		Low	Moderate	High	Extreme	

Please Watch

<https://www.youtube.com/watch?v=-E-jfcoR2W0>

Plan Risk Responses

Plan Risk Responses is **the process of developing options and actions to enhance opportunities and to reduce threats to project objectives**. The key benefit of this process is that it addresses the risks by their priority, inserting resources and activities into the budget, schedule and project management plan as needed.



Stakeholder Engagement Assessment Matrix

The Stakeholder Engagement Assessment Matrix is a simple yet powerful project management technique to document desired and monitor **actual engagement levels** of stakeholders. It helps identify potential gaps in the involvement of stakeholders.

How to Create a Stakeholder Engagement Matrix

A stakeholder engagement assessment matrix consists of several rows, each of them representing one stakeholder (or a group of homogenous stakeholders, if applicable).

The columns indicate the level of engagement. The [Project Management Body of Knowledge](#) ([PMBOK®, 6th ed](#)) suggests the following classification:

- unaware,
- resistant,
- neutral,
- supportive,
- leading.

How to Create a Stakeholder Engagement Matrix

A populated stakeholder engagement assessment matrix looks like the following example (analogous fig. 13-6 in PMBOK®, 6th ed.):

Stakeholder	Unaware	Resistant	Neutral	Supportive	Leading
Stakeholder 1	C			D	
Stakeholder 2			C	D	
Stakeholder 3				D C	
...					
Stakeholder n					

Example of a stakeholder engagement assessment matrix with desired ("D") and current ("C") levels of engagement per stakeholder.

Example of a Graphical Presentation of a Stakeholder Engagement Matrix

Stakeholders:

Stakeholder 1

Stakeholder 2

Stakeholder 3

...

Stakeholder n



Involvement:

Unaware Resistant Neutral Supportive Leading