

RISK MANAGEMENT



What is Risk Management?

- Risk is an uncertain event that may have a positive or negative impact on the project.
- Risk Management is the process of identifying and migrating risk.



Why is it important?

- Risk affects all aspects of your project – your budget, your schedule, your scope, the agreed level of quality, and so on
- Increase probability of positive event.
- Reduce the occurrence of negative event.



What does it include?

- Risk Management Planning
- Risk Identification
- Qualitative Risk Analysis
- Quantitative Risk Analysis
- Risk Response Planning
- Risk Monitoring and Control



How is it done in project?

- Make Risk Management Part of Your Project
- Identify Risks Early in Your Project
- Communicate About Risks
- Consider Both Threats and Opportunities
- Clarify Ownership Issues

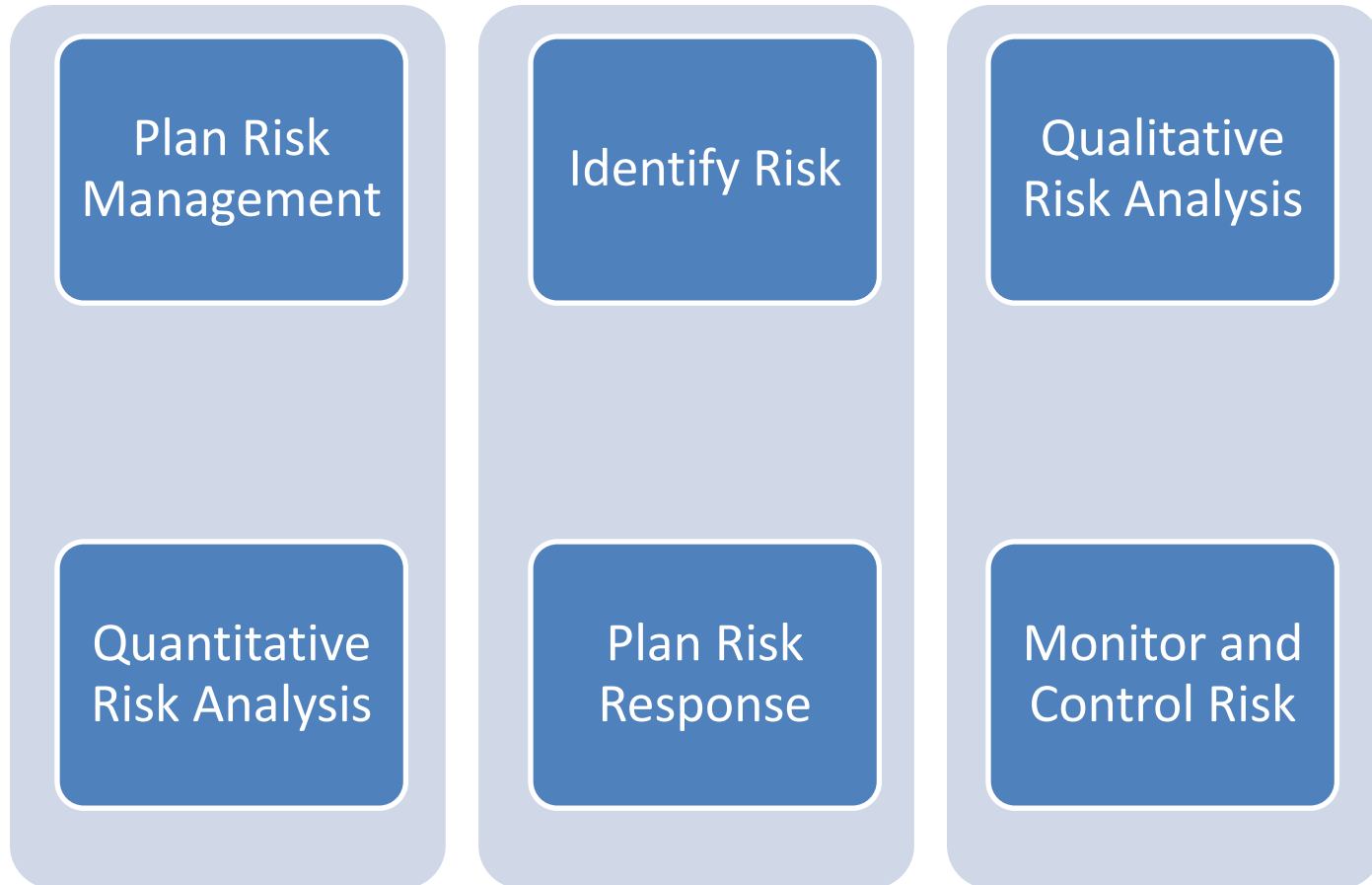


How is it done in project?

- Prioritise Risks
- Analyse Risks
- Plan and Implement Risk Responses
- Register Project Risks
- Track Risks and Associated Tasks



Risk in Project Management



Plan Risk Management

- Analysis and decision making to implement risk management.
- Appropriate to size and complexity of the project.
- Stakeholders will be involved in planning risk management.



Risk Management Plan

- Schedule Risk
- Cost Risk
- Quality Risk
- Scope Risk
- Resource Risk
- Customer Satisfaction Risk



Identify Risk

- Which risk has more probability of affecting the project?
- SWOT Analysis
- Information gathering
- Check-list Analysis
- Assumption Analysis



Qualitative Risk Analysis

- Assess impact and likelihood of the identified risk.
- Probability and Impact Matrix.
- Risk categorization.
- Risk urgency assessment.



Quantitative Risk Analysis

- Data gathering
 - Direct
 - Diagrammatic
 - Delphi
- Probability distribution
- Modeling Techniques
 - Decision tree Analysis
 - Sensitivity Analysis
 - Expert Judgment



Plan Risk Response

- Eliminate threats before they happen.
- Decrease impact of threat.
- Contingency plan (Do something if risk happens)
- Fallback plan (Do something if contingency plans are not effective)



Plan Risk Response

- Negative risk or threat
 - Avoid
 - Transfer
 - Mitigate
 - Accept
- Positive risk or opportunity
 - Exploit
 - Share
 - Enhance



Monitor and Control Risk

- Risk Reassessment (Scheduled regularly to identify new risk)
- Risk Audit (Examine the effectiveness of planned risk response)
- Trend analysis (Monitor overall project performance)



What are the benefits?

- Effective use of resources
- Promoting continuous improvement
- Fewer shocks and failures
- Strategic business planning
- Raised awareness of significant risks.



What are the benefits?

- Quick grasp of new opportunities
- Enhancing communication
- Reassuring stakeholders
- Focus on internal audit programme
- Recognition of responsibility and accountability.



How does Primavera help?

- Keep track of issues.
- Maintain threshold
- Health of project
- Track overall project progress to identify any deviation

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Thank You