

 OpenPM² 2018
CONFERENCE

Brussels, Charlemagne | February 1 & 2

Managing Risk with PM²

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Risk



Risk Management



Risk Management in PM²



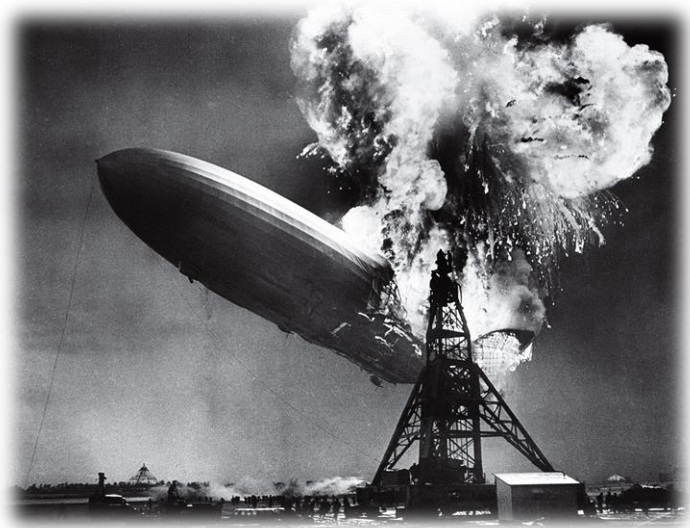
Process Steps & Artefacts

Question

Option A



Option B



What is Risk?

An **uncertain** event or condition that, if it occurs, has a **positive or negative** effect on one or more project **objectives** such as scope, schedule, cost and quality

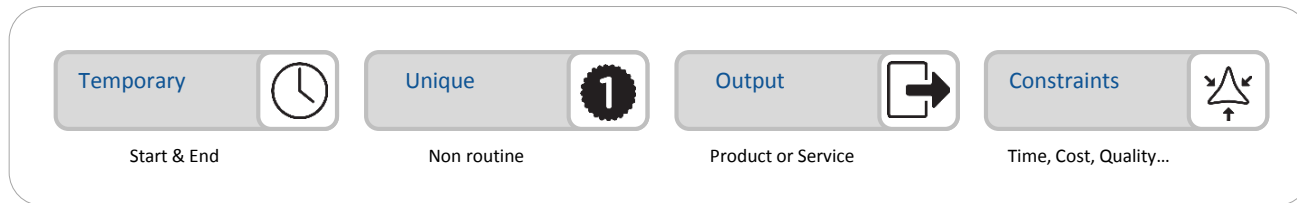


PMBOK® Guide 5th Edition

What is a Project?

A project "is a temporary organization setup to create a unique product or service (output) within certain constraints such as time, cost, and quality."

➡ Our objective



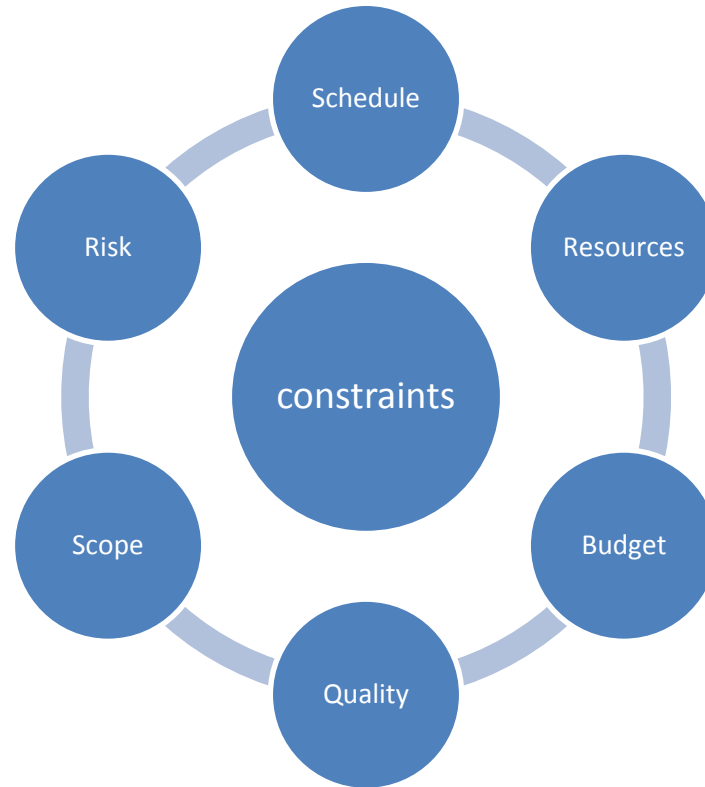
- ↑ successful delivery
- ↓ threats
- ↑ exploit opportunities
- ↓ unwelcome surprises
- ↑ proactive approach
- ↑ “control”
- ↑ stakeholders trust



Risk – a matter of choice



Risk – a matter of choice



Risk – a matter of appetite

Risk Capacity

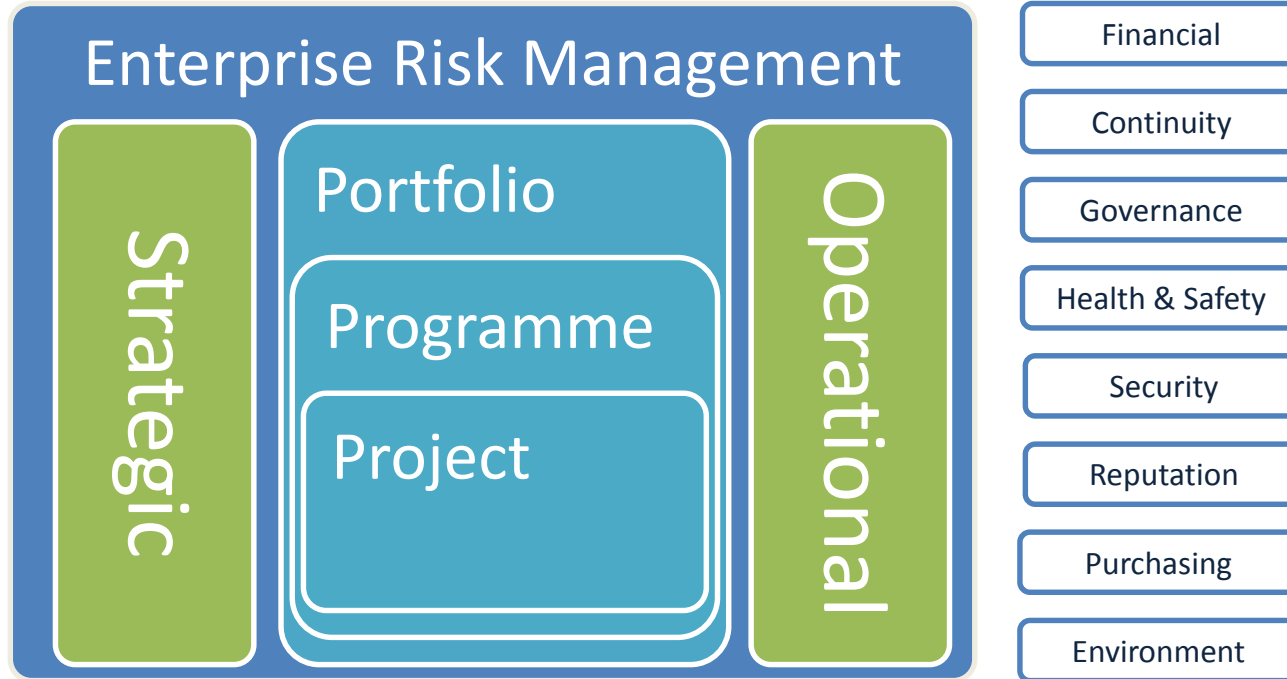
Risk Appetite

Risk Tolerance

Risk Exposure

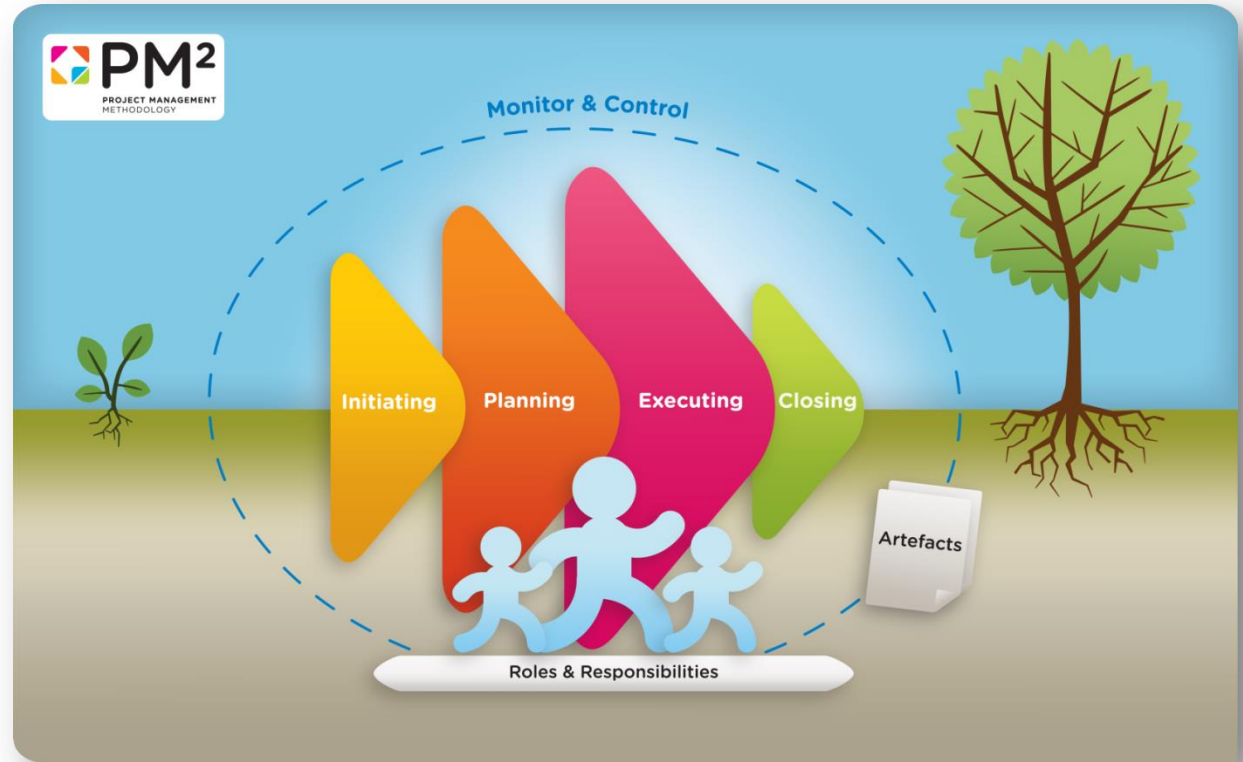


Risk - a matter of perspective

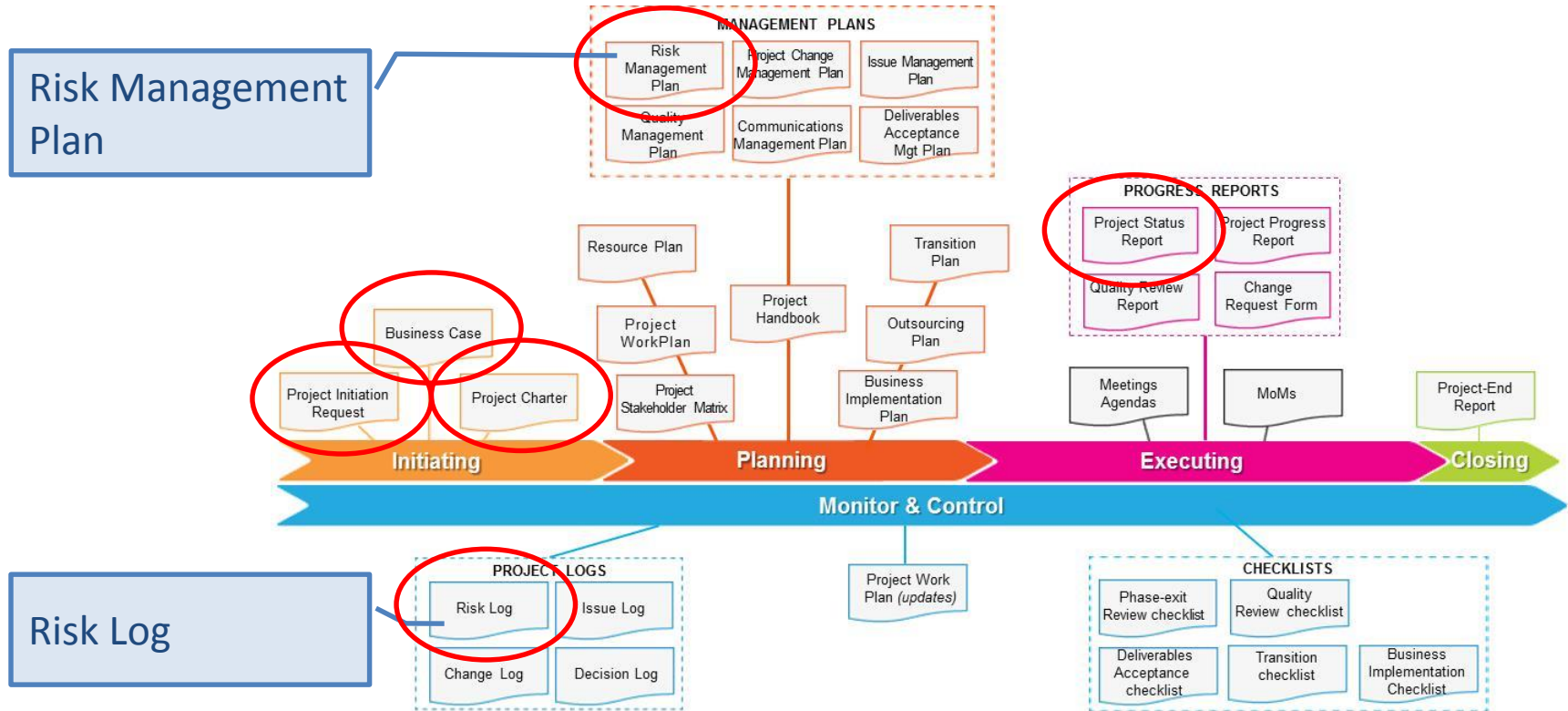


PM² and Risk Management

- Process
- Artefacts



PM² and Risk Management



Initiating Phase

- Initiating Kick-off Meeting
- Project Initiation Request
- Business Case Project Charter

Planning Phase

- Planning Kick-off Meeting
- Project Handbook
- Project Work Plan
- Project Stakeholder Matrix
- 6 Project Management Plans

Executing Phase

- Executing Kick-off Meeting
- Project Coordination
- Quality Assurance
- Project Reporting
- Information Distribution

Monitor & Control

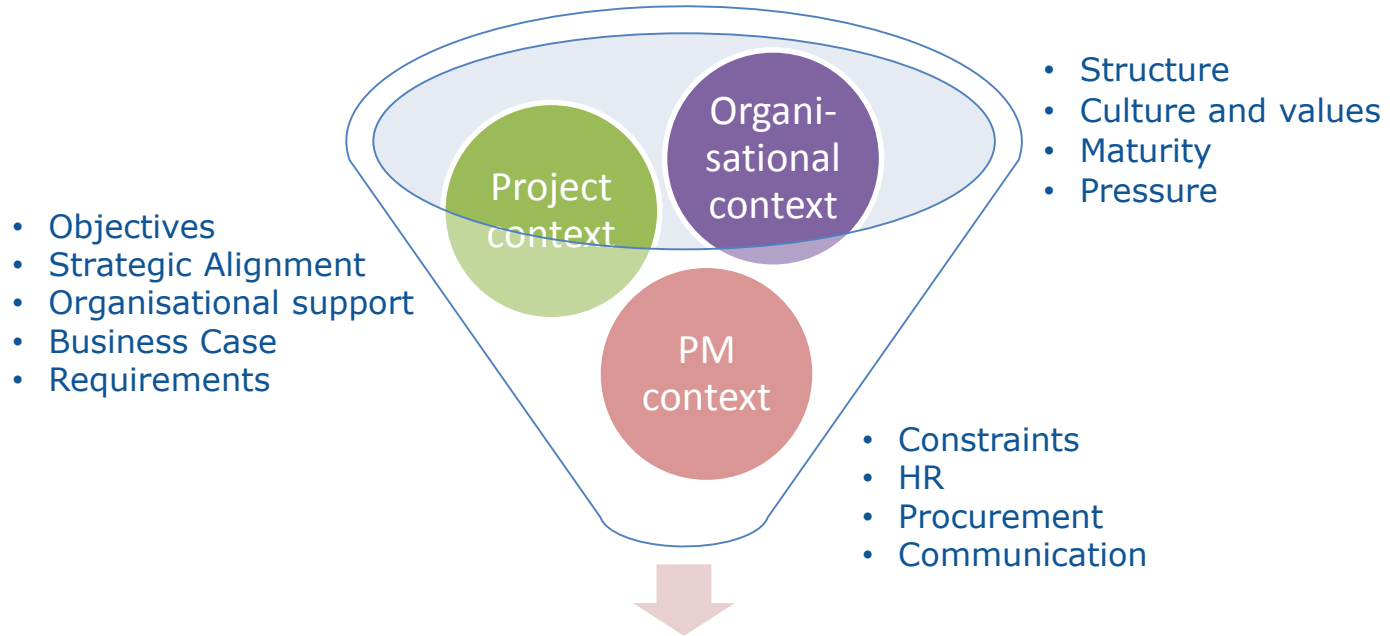
- Monitor Project Performance
- Control Schedule
- Control Cost
- Manage Quality
- Manage Requirements
- Manage Project Change
- Manage Risks
- Manage Issues and Decisions
- Manage Stakeholders
- Manage Deliverables Acceptance
- Manage Transition
- Manage Business Implementation

Closing Phase

- Project-End Review Meeting
- Project-End Report
- Administrative Closure

Risk planning





Risk Management Plan

PM²'s Risk Management plan

Processes, escalation and timing

Tools and techniques

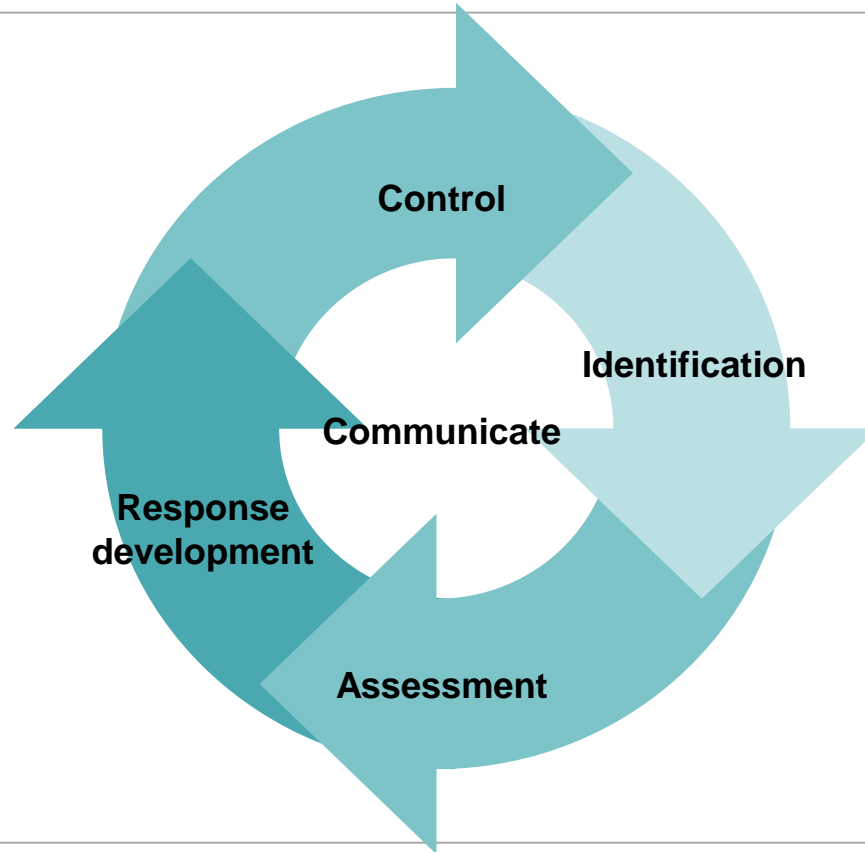
Scales and tolerances

Roles and responsibilities

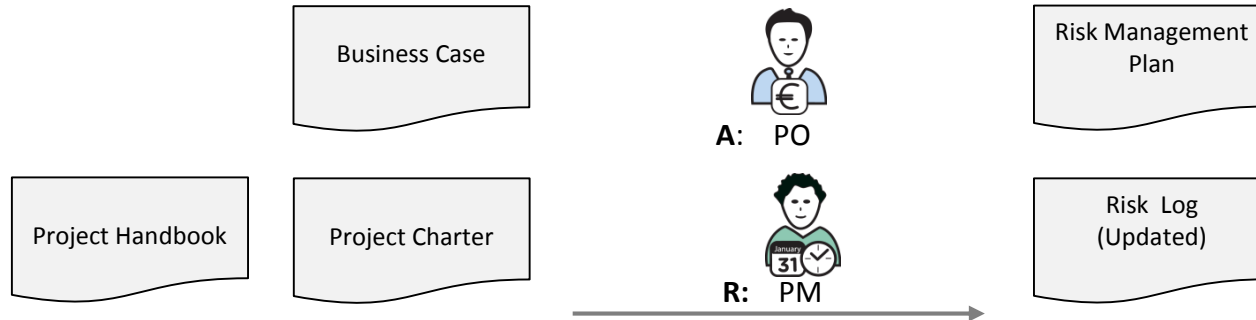
Documentation

Communication

It is a cyclic process

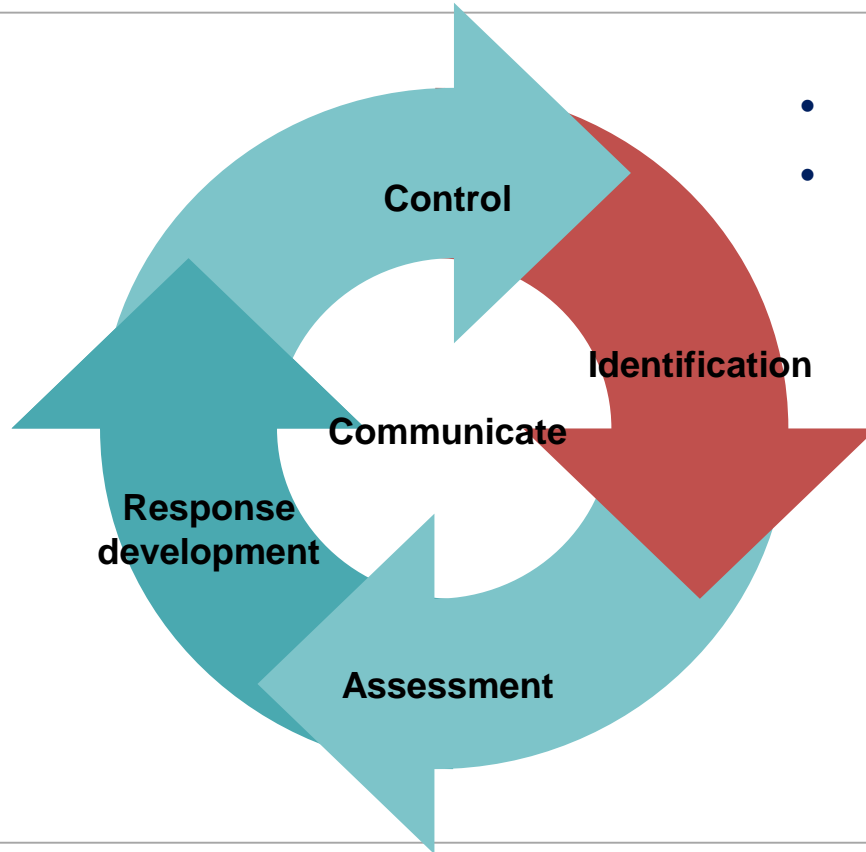


PM² Roles and Responsibilities



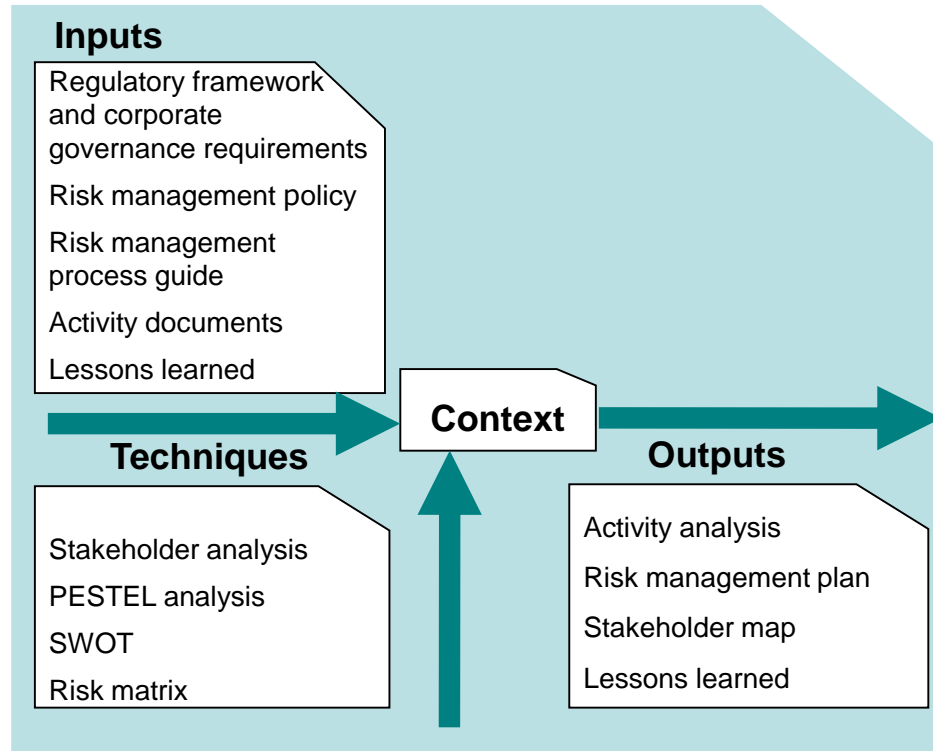
RAM (RASCI)	AGB	PSC	PO	BM	UR	SP	PM	PCT
Risk Management Plan	I	C	A	C	I	I	R	I

Identification

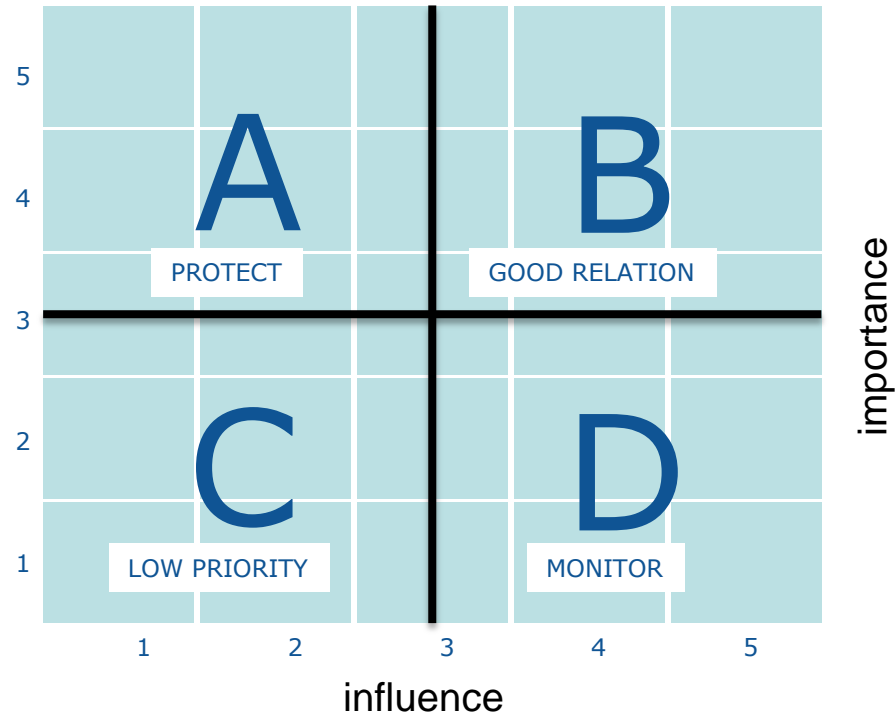


- Risk Planning
- Risk Identification

Risk planning



Stakeholder Analysis



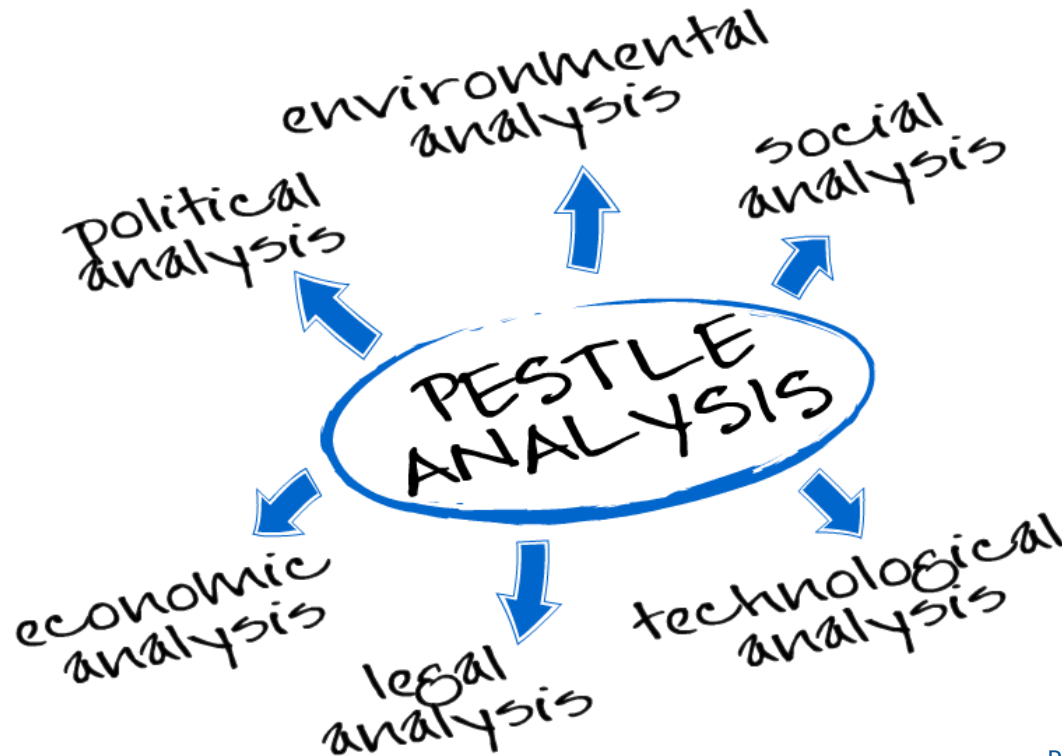
Stakeholder Analysis: RASCI Diagram

	Role 1	Role 2	Role 3
Activity 1	R	A	C
Activity 2	R	R	A
Activity 3	I	A	R
Activity 4	R		A

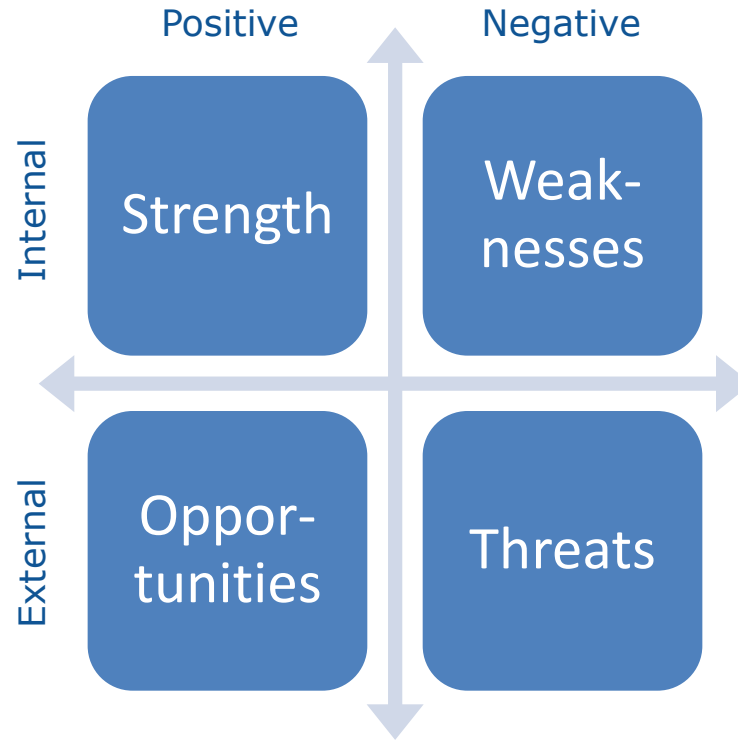
- **Responsible**
Person working on the activity
- **Accountable**
The one person answerable person for correct completion
- **Supports**
Helps to complete the task
- **Consulted**
(Key)stakeholder that should be involved in the activity
- **Informed**
Needs to be informed about the activity



PESTEL Analysis



SWOT Analysis







Risk assessment Threshold matrix

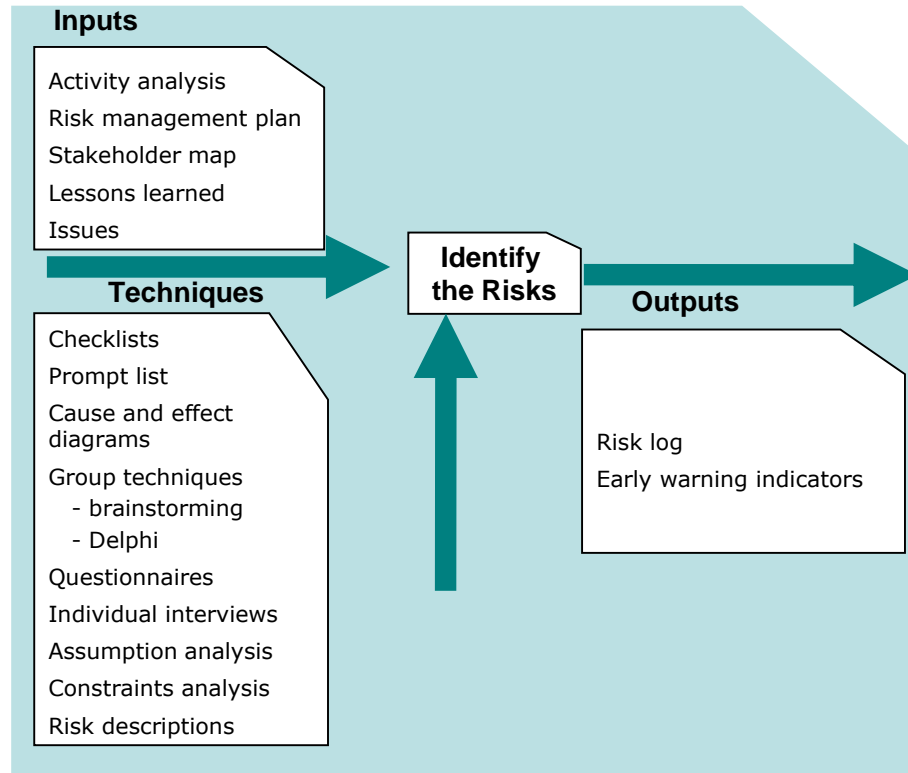


		Impact				
		1=Very low	2=Low	3=Medium	4=High	5=Very high
Likelihood	5=Very high	5	10	15	20	25
	4=High	4	8	12	16	20
	3=Medium	3	6	9	12	15
	2=Low	2	4	6	8	10
	1=Very low	1	2	3	4	5

Legend:

	Risks can be accepted, contingency plans may be developed.
	Risks cannot be accepted, a risk response strategy should be developed (avoid, reduce, transfer/ share)
	Unacceptable – immediate risk reduction or avoidance response
	Risk appetite

Risk Identification





Cause



Event



Effect



PM² Risk Log





Risk Response	
Risk Response Strategy	Action Details (effort & responsible)

Risk Log
<Project Name>



PM² Logs V.2.5

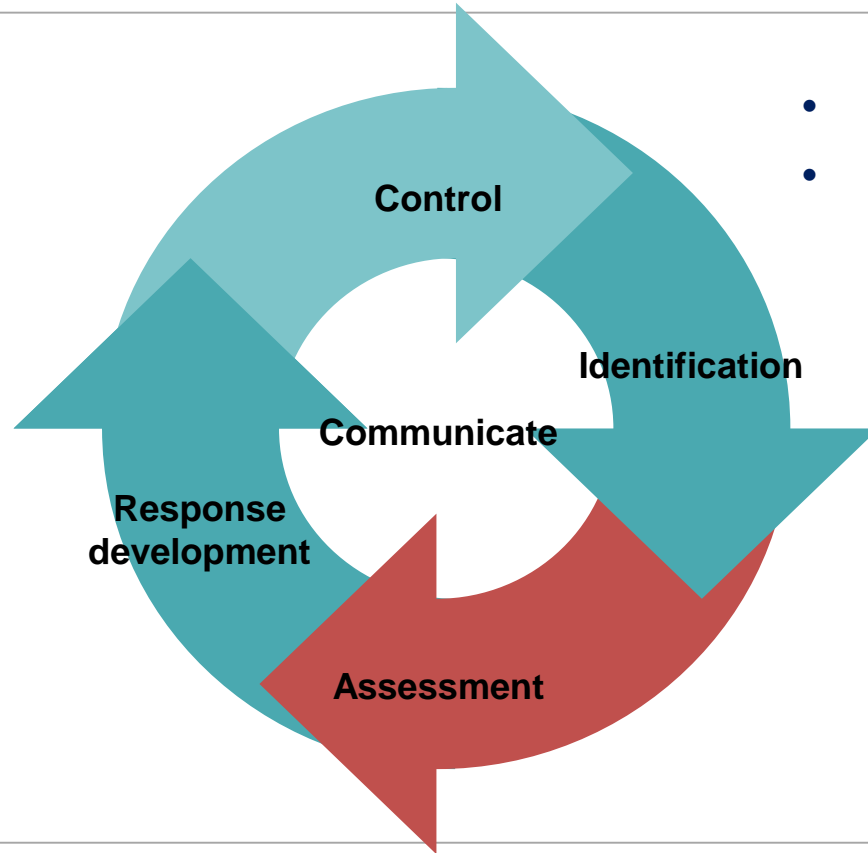
Risk Identification and Description

ID	Category	Risk Name	Risk Description & Details	Status	Identified By	Identification Date
RL01	<Business>	<Internal Fraud>	<Because of (CONDITION), it might be that (EVENT), which will lead to (IMPACT).>	<Proposed>	<Name X>	<xx/xx/xx>
RL02	<IT>	<Unauthorized access to>	<As a result of (CAUSE)>	<Investigating>	<Name Y>	<xx/xx/xx>

Escalation	Risk I St
<Business>	



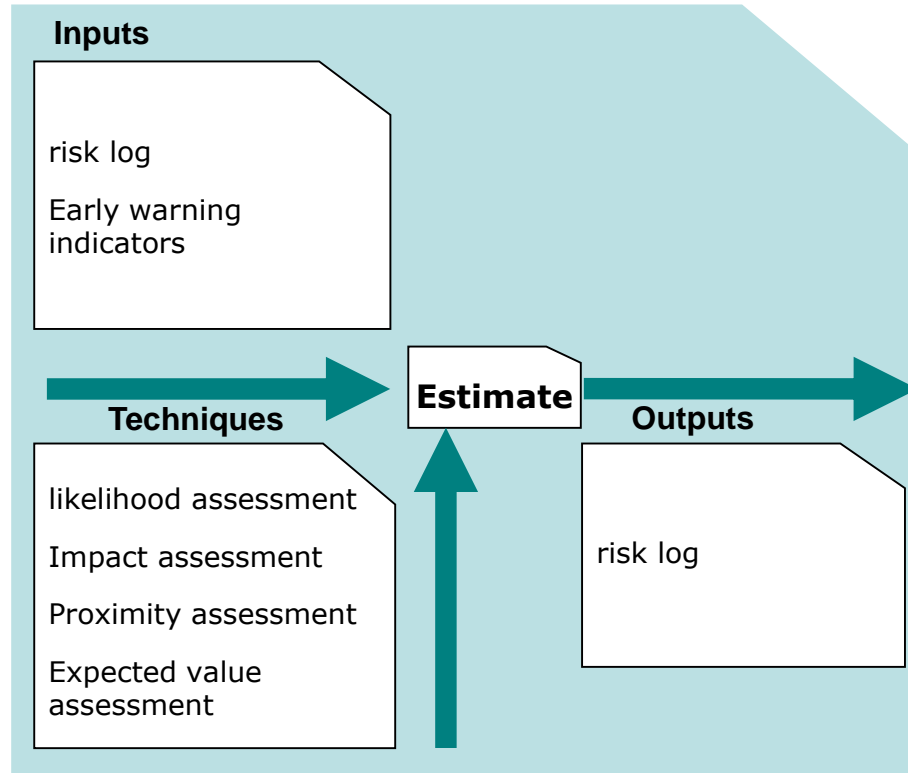
Risk Assessment



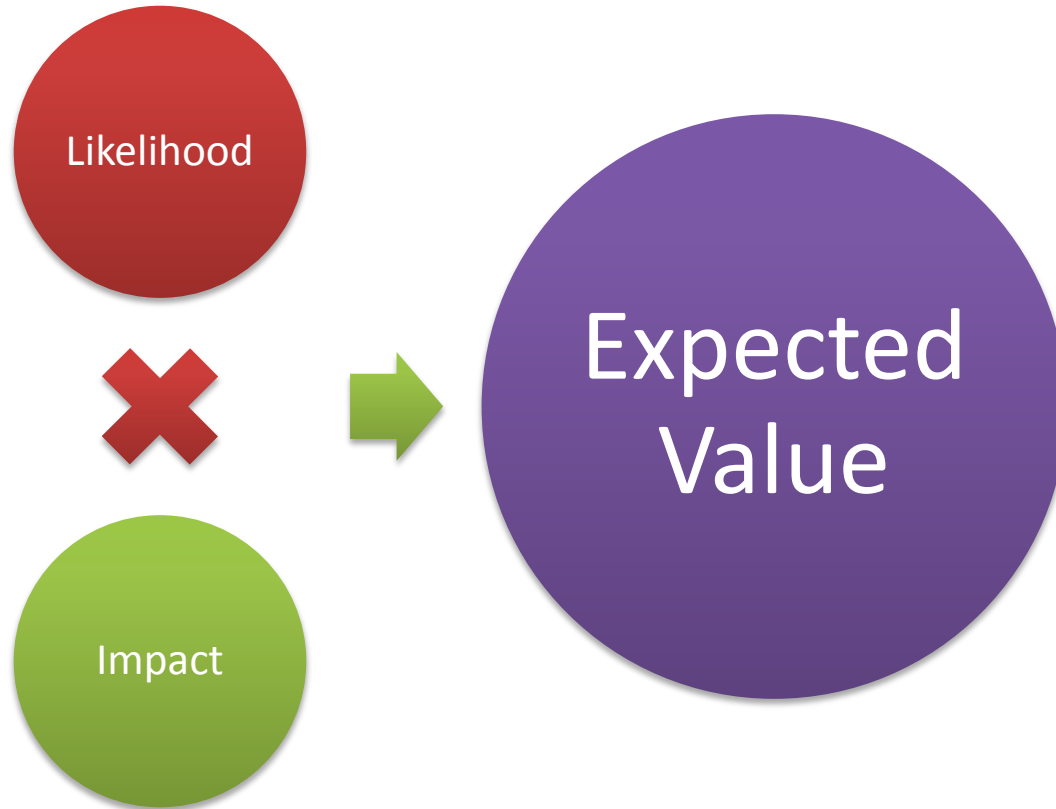
- Estimate
- Evaluate



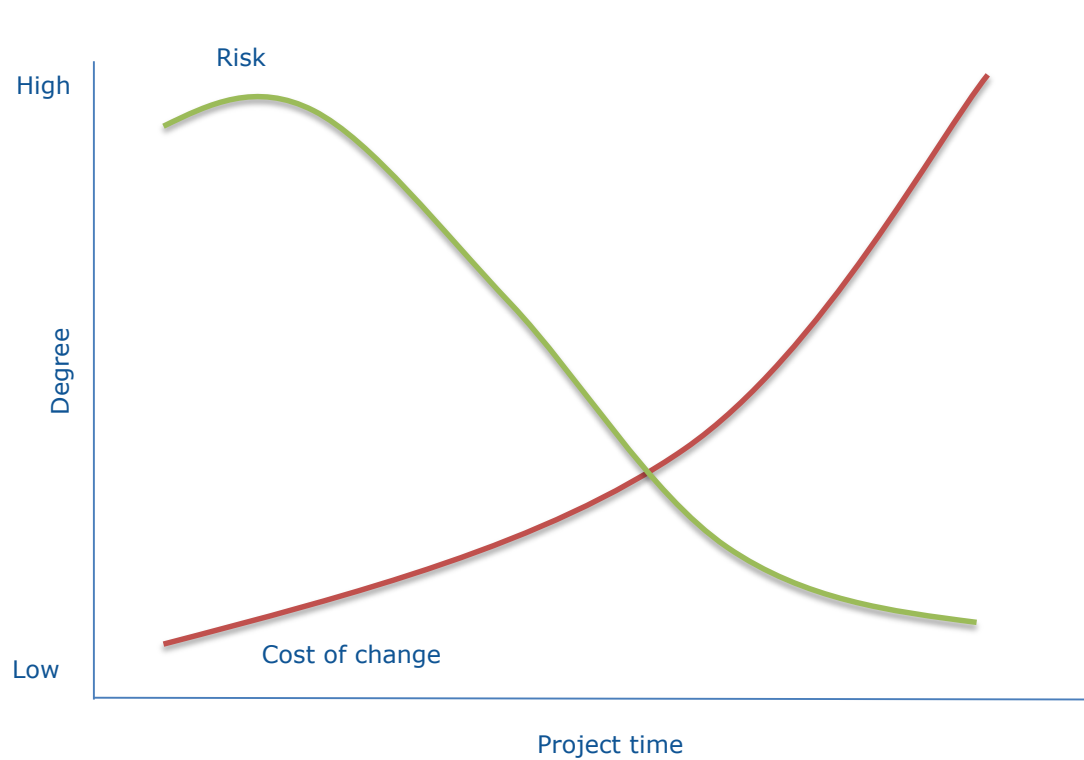
Assessment — Estimate



Techniques for *Estimate*



Impact over time



PM² Risk Log



Risk Response	
Risk Response Strategy	Action Details (effort & responsible)



PM² Logs V2.5

Risk Identification and Details

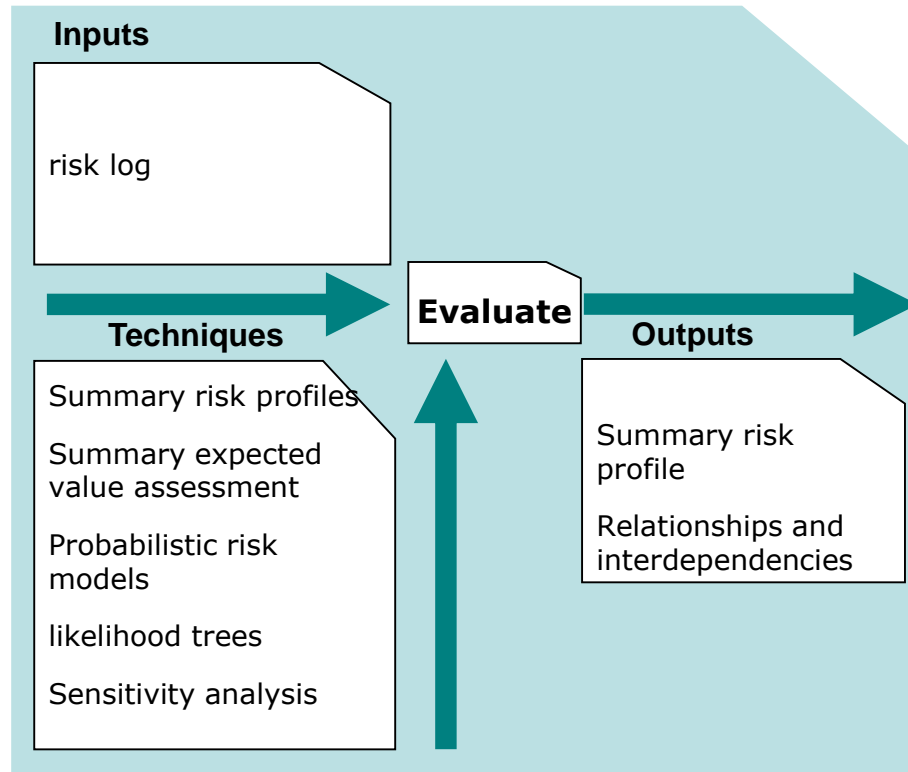
ID	Category	Risk Name	Risk Description & Details
RL01	<Business>	<Internal Fraud>	<Because of (CONDITION), it might be that (EVENT), which will lead to (IMPACT).>
RL02	<IT>	<Unauthorized access to>	<As a result of (CAUSE)>

Risk Log <Project Name>

Identification Date	Risk Assessment				Escalation	Risk Status
	Likelihood	Impact	Risk Level (L*I)	Risk Owner		
/xx/xx				<Name M>	<Yes>	
				<Name M>	<Yes>	



Assessment — Evaluate



Summary Risk Profile

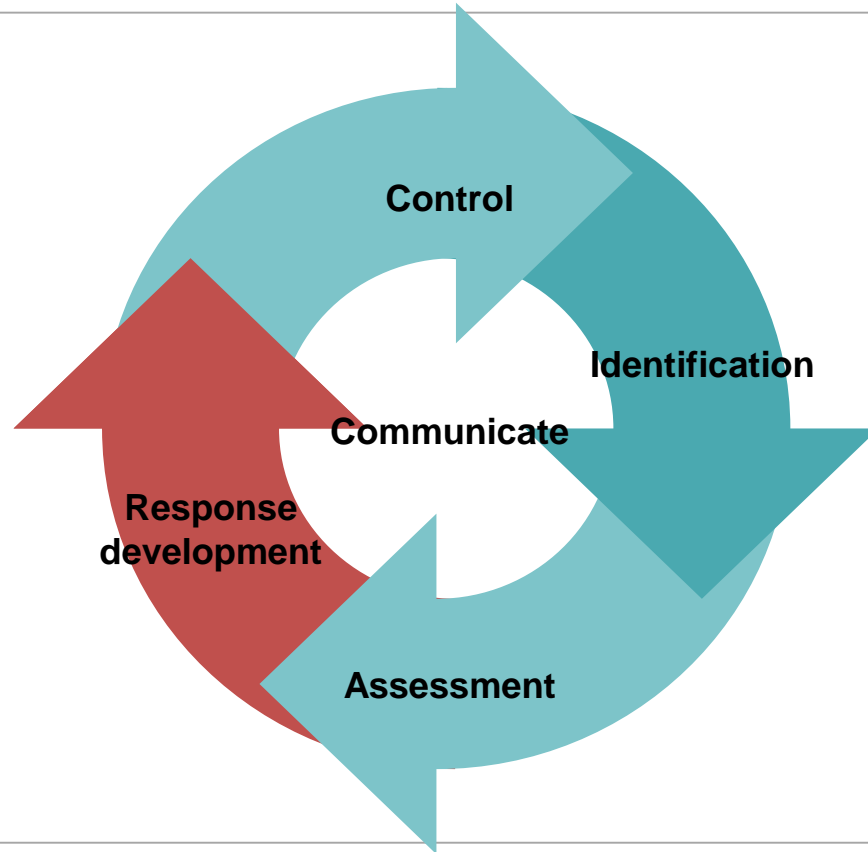


		Impact				
		1=Very low	2=Low	3=Medium	4=High	5=Very high
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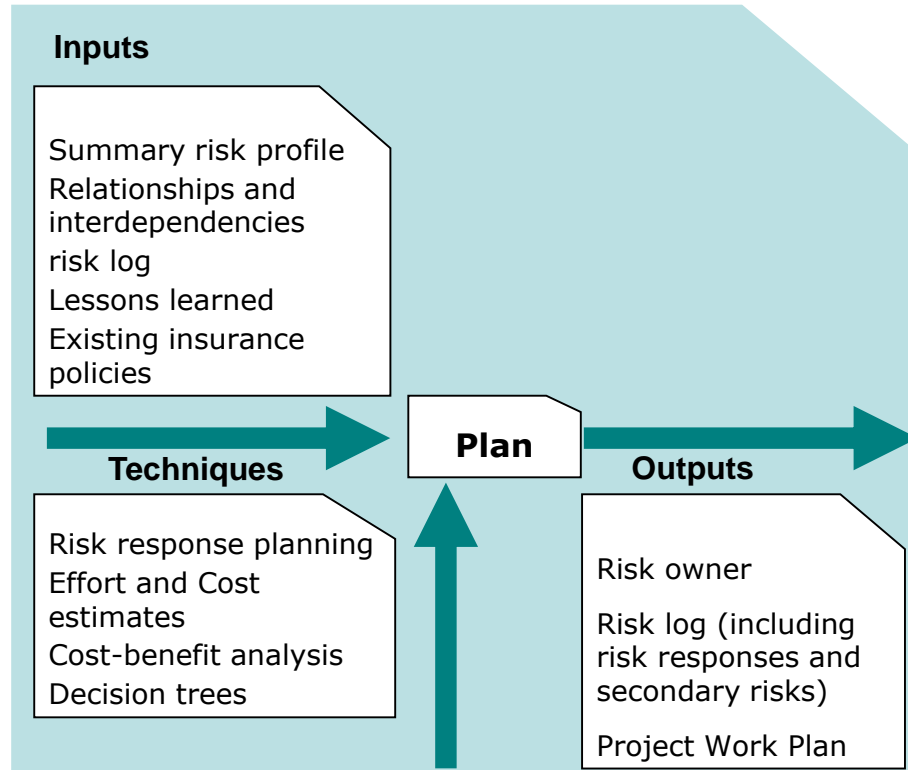
Legend:

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Response development



Response development



Risk response development

Risk	Avoid	Reduce	Transfer	Accept
				

Cost/benefit Analysis

Costs

- Cost of mitigation Actions
- Secondary risks

Benefits

- Effect of mitigation =
Inherent risk – Residual Risk

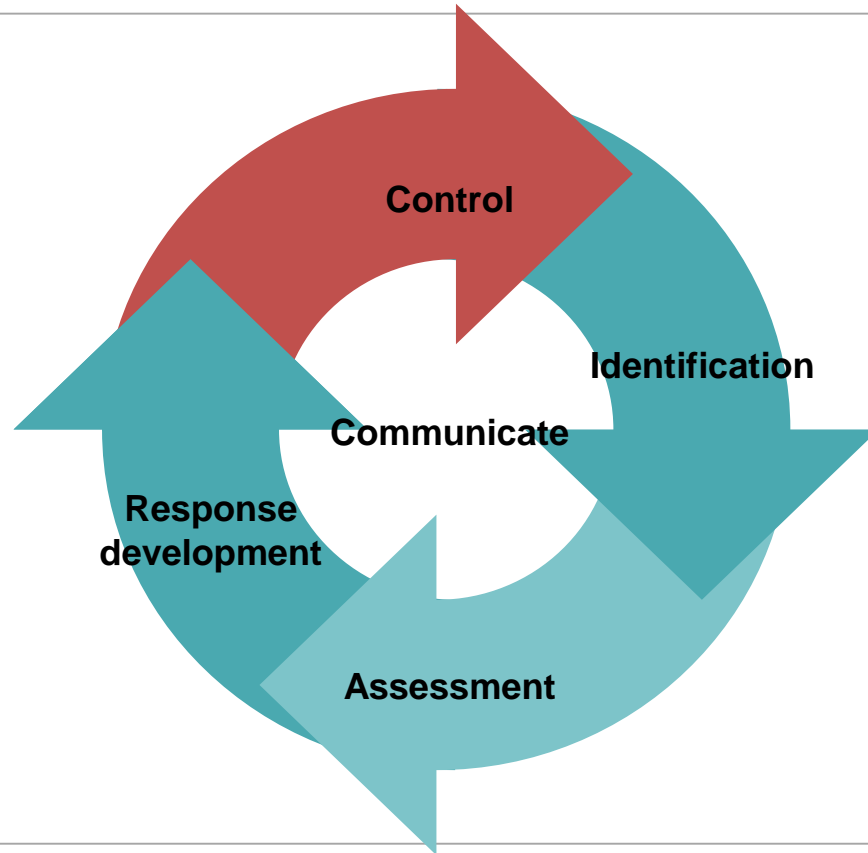


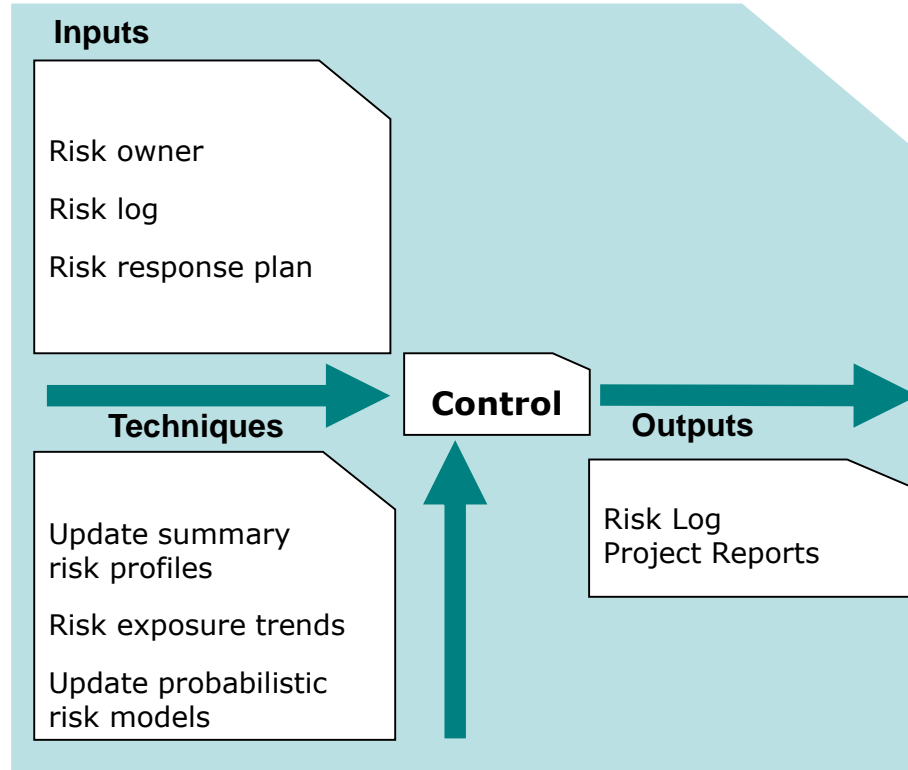
PM² Risk Log



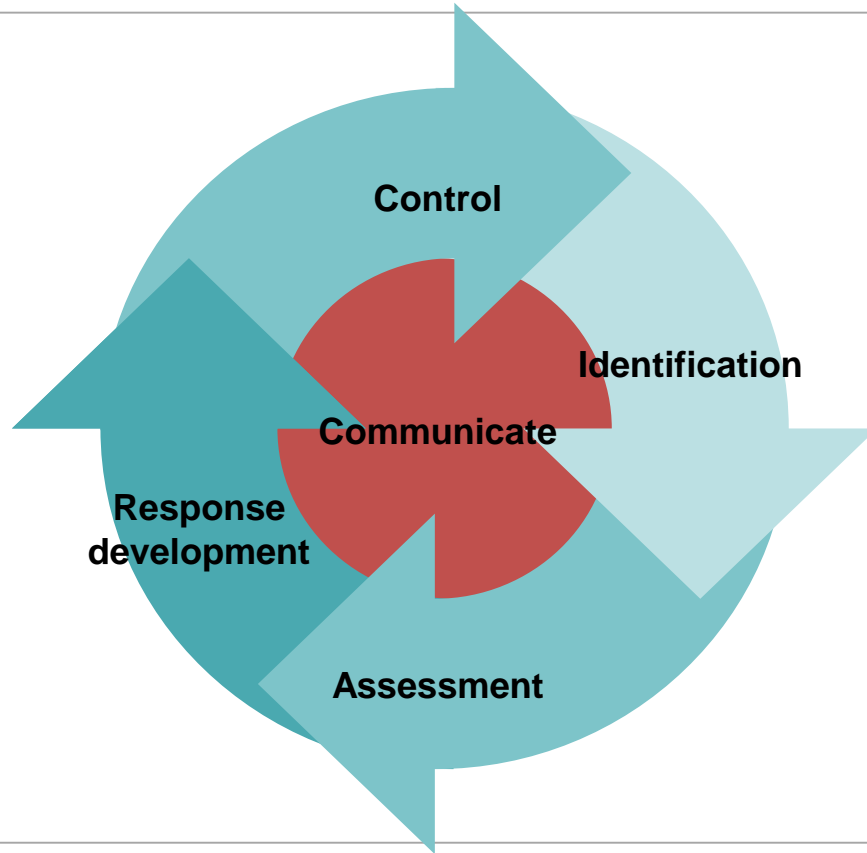
Risk Identification and Detection				Risk Response				
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RL02	<IT>	<Unauthorized access to>	<As a result of (CAUSE)>	<Investigations>		<Name Y>		

Control





Communicate



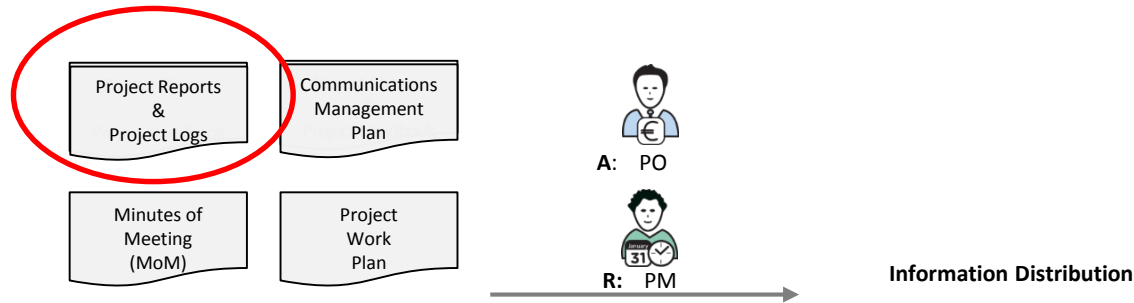
- Communication is a continuous activity throughout the Risk Management process.
- Communication is the key to effective risk management.

It helps to:

- Identify new threats and opportunities
- Monitor and review the overall effectiveness of risk management for an activity
- Provide assurance to third parties



Communication during Execution



RAM (RASCI)	AGB	PSC	PO	BM	UR	SP	PM	PC T
Manage Risks	I	I	A	C	I	I	R	C
Related Artefacts	Initiating	Planning	Executing	Monitor & Control			Closing	
Risk Management	Project Logs (set-up)	Risk Management Plan	Project Reports	Risk Log			Project-End Report	

Summary...





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