

Document: Risk Management Approach		Project: Project Billy	Author: Project Manager
1. Introduction			
This document outlines the approach to risk management for Project Billy, which aims to develop a web application for inventory management while enhancing business exposure. The risk management process will ensure that risks are proactively identified, assessed, and mitigated to increase project success.			
2. Risk Management Objectives			
Risks will be managed through a structured approach: <ul style="list-style-type: none">Identification: Risks will be identified through stakeholder discussions, historical data analysis, and expert judgment.Assessment: Risks will be evaluated based on likelihood and impact using a predefined scale.Response Planning: Appropriate risk response strategies will be applied.Monitoring and Control: Risks will be tracked continuously, with regular updates.Closure: Resolved risks will be documented for future reference.			
3. Risk Management Procedure			
Risk management utilizes a Risk Register, SWOT and PESTLE analyses, Monte Carlo simulations, and stakeholder workshops for risk identification and assessment.			
4. Records			
All risk-related information will be documented in a Risk Register, including risk description, category, likelihood, impact, owner, response strategy, and status.			
5. Timing of Risk Management Activities			
Risk assessment occurs at initiation, detailed analysis during planning, ongoing reviews during execution, and final evaluation at project closure.			
6. Risk Categories Used (PESTLE)			
Risks are categorized as Political, Economic, Social, Technological, Legal, and Environmental to ensure comprehensive risk identification.			
7. Scaes			
Likelihood and impact are rated from 1 (low) to 5 (high), determining risk priority as Low, Medium, or High.			
8. Roles & Responsibilities			
Roles		Responsibility	
Project Manager		Oversees all communication and business activities and ensures alignment with project goals	
Development Team		Identifies and mitigates technical risks, ensuring system reliability and performance.	
Business Stakeholders		Provides input on financial, operational, and user adoption risks.	
Risk Owner		Assigned to track and manage specific risks, ensuring mitigation plans are executed.	
Quality Assurance		Identifies risks related to system bugs, security vulnerabilities, and compliance.	
9. Risk Response Categories			
Responses include Avoiding risks by altering plans, Mitigating through preventive actions, Transferring via outsourcing or insurance, and Accepting with contingency measures.			
10. Risk Tolerance			
Project Billy has low tolerance for security and financial risks, moderate tolerance for operational and technological risks, and higher tolerance for minor regulatory and environmental risks.			
11. Risk Budget			
A contingency budget of 10% of the total project cost is allocated for risk mitigation and unforeseen issues.			
12. Proximity			
Risks are classified based on occurrence: Immediate (within a month), Short-term (three months), Medium-term (six months), and Long-term (beyond six months).			
13. Risk Communication Plan			
Risk updates are shared through weekly project meetings, monthly stakeholder reports, and immediate escalation of critical risks.			