MONASH University

Faculty of Information Technology

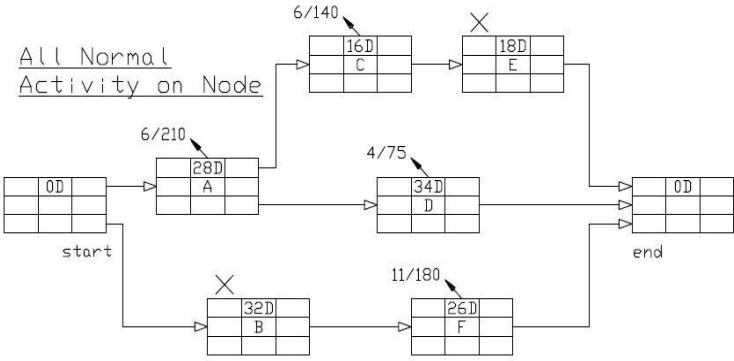# FIT2002 PROJECT MANAGEMENT

TUTORIAL 7

TOPIC 7:
Project Risk Management

TOPIC: Project Risk Management

Learning outcomes:
- Discuss risk management planning and the contents of a risk management plan
- Identify potential project risks
- Determine risk likelihood and impact
- Create a risk mitigation strategy

Time Frame 110 Mins	Topic	Activity	Outcomes/ tasks/ resources
30 mins	Review of the pre-class activity	**Activity 1**: Review the pre-class material Group discussion & Tutor-led activity: 1. Discuss the different tools and techniques for identifying risks. 2. What is risk appetite, risk tolerance and risk utility? Include an example in your explanation. 3. Discuss the different responses to negative risks and provide an example for each. 4. Discuss the different responses to positive risks and provide an example for each. (This activity may be done as homework to free up time for assignment 1 questions – at the discretion of the tutor)	*Describe and know these terms*: Contingency plans Fallback plans Mitigation Probability/impact matrix Risk tolerance
30 mins	Risk Register	**Activity 2**: Create a risk register for the project (for the Case study in the next page). Identify 6 potential risks. Use the 'risk register template' provided on Moodle.	Outcomes: To identify potential project risk
20 mins	Probability /Impact Matrix	**Activity 3**: Create a probability and impact matrix (based on your risk register in Activity 2.) Create a probability/impact matrix using the template provided on Moodle. Assign a numeric value for the probability of each risk, and its impact on meeting the main project objectives. Use a scale of 1 to 10 to assign the values, with 1 being lowest and 10 being highest. For a simple risk factor calculation, multiply these two values (the probability score and the impact score). Enter the new data in the risk register. Write your rationale for how you determined the scores for one of the negative risks and one of the positive risks.	Outcomes: Determine risk likelihood and impact

| 30 mins | Project Crashing - From Tutorial 6 | **Activity 4:** Revisit Tutorial 6 and work on Activity 4.

The problem is reproduced here for your convenience:
For the network and information below:
a) Do project compression calculations to achieve minimum project duration at minimum project direct cost.
b) Calculate the additional cost required to fully crash this project. Assume datum project cost is $12,590.
(Use the template on Page 4 Tutorial 6)

 | Outcomes:
To be able to catch up on a project schedule at the least incremental cost. |

Case study: Remote deposit capture project (Source: Schwalbe (2013), Additional case studies)

Recently, several banks have started offering customers remote deposit capture. With this new service, customers do not have to physically go to banks or ATM machines to deposit cheques anymore. Instead, they can send cheques as a scanned image through an Internet portal provided by the bank. This technology can save banks and customers time and money making the transactions. Blue Bank is considering implementing this new service.

To use it, customers need a remote capture account with Blue Bank and a special scanner to get the necessary images to make the electronic deposit. Once the account is established in the system, customers will be able to scan all of their cheques anytime and anywhere by accessing the Blue Bank service through the Internet, logging in, and scanning the cheques. The service should be as easy as sending an attachment in an email.

Of course, this new application has to be very reliable, secure, and easy to use. It must be integrated into the current Blue Bank Web site, and the Web site must also provide the ability for customers to purchase the special scanner. Blue Bank will set up the scanner-purchasing ability with several appropriate hardware vendors and sell the devices at its physical banks as well. Blue Bank is not sure yet what to charge for the scanners or service. The Web site will also provide online technical support and instructions showing customers how to set up and use the new scanner and service. Support will be provided 24/7 via the Web site and telephone.