SPM: SOFTWARE PROJECT MANAGEMENT
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SPM: SOFTWARE PROJECT MANAGEMENT

TOPIC On : RISK MANAGEMENT

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Under On: SOFTWARE PROJECT MANAGEMENT

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What is Risk?

"Tomorrow's problems are today's risks." Hence, a clear definition of a "risk" is a problem that could cause some loss or threaten the progress of the project, but which has not happened yet.

These potential issues might harm cost, schedule or technical success of the project and the quality of our software device, or project team morale.

Risk Management is the system of identifying, addressing and eliminating these problems before they can damage the project.

We need to differentiate risks, as potential issues, from the current problems of the project.

Different methods are required to address these two kinds of issues.

For example, staff storage, because we have not been able to select people with the right technical skills is a current problem, but the threat of our technical persons being hired away by the competition is a risk.

Risk Management

A software project can be concerned with a large variety of risks. In order to be adept at systematically identifying the significant risks which might affect a software project, it is essential to classify risks into different classes. The project manager can then check which risks from each class are relevant to the project.

There are three main classifications of risks which can affect a software project:

Project risks

Technical risks

Business risks

1. Project risks: Project risks concern differ forms of budgetary, schedule, personnel, resource, and customer-related problems. A vital project risk is schedule slippage. Since the software is intangible, it is very tough to monitor and control a software project. It is very tough to control something which cannot be identified. For any manufacturing program, such as the manufacturing of cars, the plan executive can recognize the product taking shape.

2. Technical risks: Technical risks concern potential method, implementation, interfacing, testing, and maintenance issues. It also consists of an ambiguous specification, incomplete specification, changing specification, technical uncertainty, and technical obsolescence. Most technical risks appear due to the development team's insufficient knowledge about the project.

3. **Business risks:** This type of risks contain risks of building an excellent product that no one needs, losing budgetary or personnel commitments, etc.

Other risk categories

1**. Known risks**: Those risks that can be uncovered after careful assessment of the project program, the business and technical environment in which the plan is being developed, and more reliable data sources (e.g., unrealistic delivery date)

2. Predictable risks: Those risks that are hypothesized from previous project experience (e.g., past turnover)

3. Unpredictable risks: Those risks that can and do occur, but are extremely tough to identify in advance.

Principle of Risk Management

Global Perspective: In this, we review the bigger system description, design, and implementation. We look at the chance and the impact the risk is going to have.

Take a forward-looking view: Consider the threat which may appear in the future and create future plans for directing the next events.

Open Communication: This is to allow the free flow of communications between the client and the team members so that they have certainty about the risks.

Integrated management: In this method risk management is made an integral part of project management.

Continuous process: In this phase, the risks are tracked continuously throughout the risk management paradigm.