Chp-1 Linear Project Management Framework

1.1 Overview of project Management

Project management is the application of knowledge, skills, tools, and techniques applied to project activities in order to meet the project requirements. Project management is a process that includes planning, putting the project plan into action, and measuring progress and performance.

Definition of a Project

There are many written definitions of a project. All of them contain the key elements described above. For those looking for a formal definition of a project, the Project Management Institute (PMI) defines a project as a temporary endeavor undertaken to create a unique product, service, or result. The temporary nature of projects indicates a definite beginning and end. The end is reached when the project's objectives have been achieved or when the project is terminated because its objectives will not or cannot be met, or when the need for the project no longer exists.

Project Characteristics

When considering whether or not you have a project on your hands, there are some things to keep in mind. First, is it a project or an ongoing operation? Second, if it is a project, who are the stakeholders? And third, what characteristics distinguish this endeavor as a project?

Projects have several characteristics:

- Projects are unique.
- Projects are temporary in nature and have a definite beginning and ending date.
- Projects are completed when the project goals are achieved or it's determined the project is no longer viable.

A successful project is one that meets or exceeds the expectations of the stakeholders.

Consider the following scenario: The vice-president (VP) of marketing approaches you with a fabulous idea. (Obviously it must be "fabulous" because he thought of it.) He wants to set up kiosks in local grocery stores as mini-offices. These offices will offer customers the ability to sign up for car and home insurance services as well as make their bill payments. He believes that the exposure in grocery stores will increase awareness of the company's offerings. He told you that senior management has already cleared the project, and he'll dedicate as many resources to this as he can. He wants the new kiosks in place in 12 selected stores in a major city by the end of the year. Finally, he has assigned you to head up this project.

Your first question should be, "Is it a project?" This may seem elementary, but confusing projects with ongoing operations happens often. Projects are temporary in nature, have definite start and end dates, result in the creation of a unique product or service, and are completed when their goals and objectives have been met and signed off by the stakeholders.

Using these criteria, let's examine the assignment from the VP of marketing to determine if it is a project:

- Is it unique? Yes, because the kiosks don't exist in the local grocery stores. This is a new way of offering the company's services to its customer base. While the service the company is offering isn't new, the way it is presenting its services is.
- Does the product have a limited timeframe? Yes, the start date of this project is today, and the end date is the end of next year. It is a temporary endeavor.
- Is there a way to determine when the project is completed? Yes, the kiosks will be installed and the services will be offered from them. Once all the kiosks are installed and operating, the project will come to a close.
- Is there a way to determine stakeholder satisfaction? Yes, the expectations of the stakeholders will be documented in the form of requirements during the planning processes. These requirements will be compared to the finished product to determine if it meets the expectations of the stakeholder.

The Process of Project Management

You've determined that you have a project. What now? The notes you scribbled down on the back of the napkin at lunch are a start, but not exactly good project management practice. Too often, organizations follow Nike's advice when it comes to managing projects when they "just do it." An assignment is made, and the project team members jump directly into the development of the product or service requested. In the end, the delivered product doesn't meet the expectations of the customer. Unfortunately, many projects follow this poorly constructed path, and that is a primary contributor to a large percentage of projects not meeting their original objectives, as defined by performance, schedule, and budget.

Ref: https://opentextbc.ca/projectmanagement/chapter/chapter-2-what-is-a-project-project-management/

1.2 Project management life cycle-IEEE Life Cycle

The **project management life cycle** is usually broken down into four phases: initiation, planning, execution, and closure. These phases make up the path that takes your **project** from the beginning to the end

The 4 Phases of the Project Management Life Cycle

1. **Initiation**
2. **Planning**
3. **Execution**
4. **Closure**

Whether you're working on a small project with modest business goals or a large, multi-departmental initiative with sweeping corporate implications, an understanding of the project management life cycle is essential.

Learn the four phases of the project management life cycle to keep your project organized and on track from imitation to close.

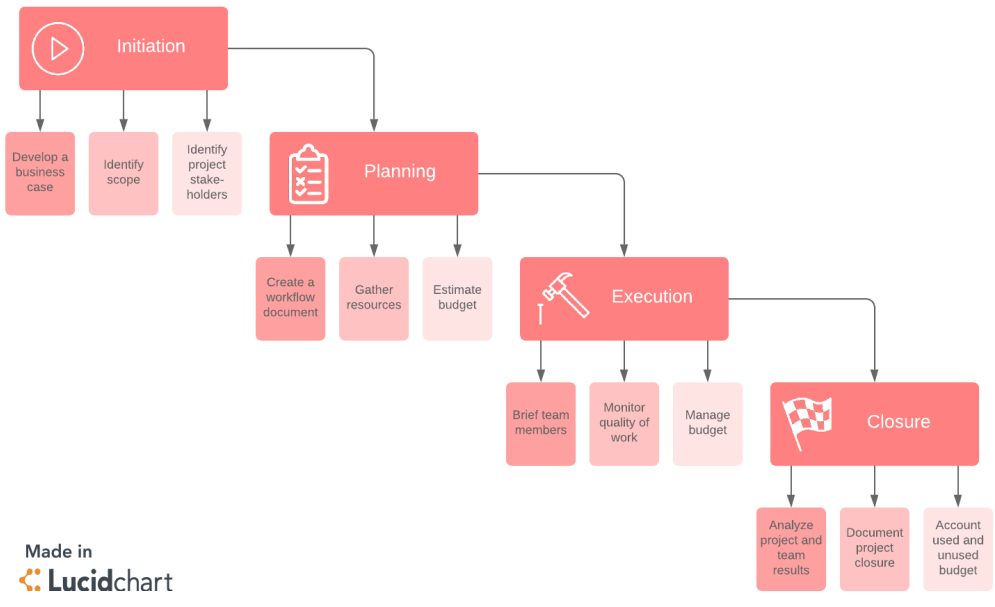
Project management life cycle overview

The project management life cycle describes high-level processes for delivering a successful project. For every $1 billion invested in projects by companies in the United States, **$122 million was wasted due to lacking project performance**, according to Project Management Institute Research. Wasted money and resources can be prevented with effective project management, as **57% of unsuccessful projects fail due to communication breakdown**. In the phases of the project management life cycle, you come up with the idea for a project, define its goals, plan for its execution, and guide it to completion.

4 phases of the project management life cycle

The project management life cycle is usually broken down into four phases: initiation, planning, execution, and closure. These phases make up the path that takes your project from the beginning to the end.

Note: Some methodologies also include a fifth phase—controlling or monitoring—but for our purposes, this phase is covered under the execution and closure phases.



Phases of the Project Management Life Cycle (Click on image to modify this template)

1. Initiation

First, you need to identify a business need, problem, or opportunity and brainstorm ways that your team can meet this need, solve this problem, or seize this opportunity. During this step, you figure out an objective for your project, determine whether the project is feasible, and identify the major deliverables for the project.

Instead of waiting to have the project strategy decided for you, Moira Alexander advocates for a mental switch from being a project "manager" to becoming a project "leader":

"Project managers must be able to sell business leaders on the intrinsic value they offer to the business at a strategic level when they are at the table from the start of strategic planning instead of after the fact decision-making. Project manager's effectiveness is drastically muted when offering a "fix-it" or "workaround" once high-level directional business decisions are made without their expertise."

Clearly, it's worth it to do what it takes to make your voice heard early—before the strategy is set in stone.

Project management steps for the initiation phase

Steps for the project initiation phase may include the following:

- Undertaking a feasibility study: Identify the primary problem your project will solve and whether your project will deliver a solution to that problem
- Identifying scope: Define the depth and breadth of the project
- Identifying deliverables: Define the product or service to provide
- Identifying project stakeholders: Figure out whom the project affects and what their needs may be
- Developing a business case: Use the above criteria to compare the potential costs and benefits for the project to determine if it moves forward
- Developing a statement of work: Document the project's objectives, scope, and deliverables that you have identified previously as a working agreement between the project owner and those working on the project

2. Planning

Once the project is approved to move forward based on your business case, statement of work, or project initiation document, you move into the planning phase.

During this phase of the project management life cycle, you break down the larger project into smaller tasks, build your team, and prepare a schedule for the completion of assignments. Create smaller goals within the larger project, making sure each is achievable within the time frame. Smaller goals should have a high potential for success.

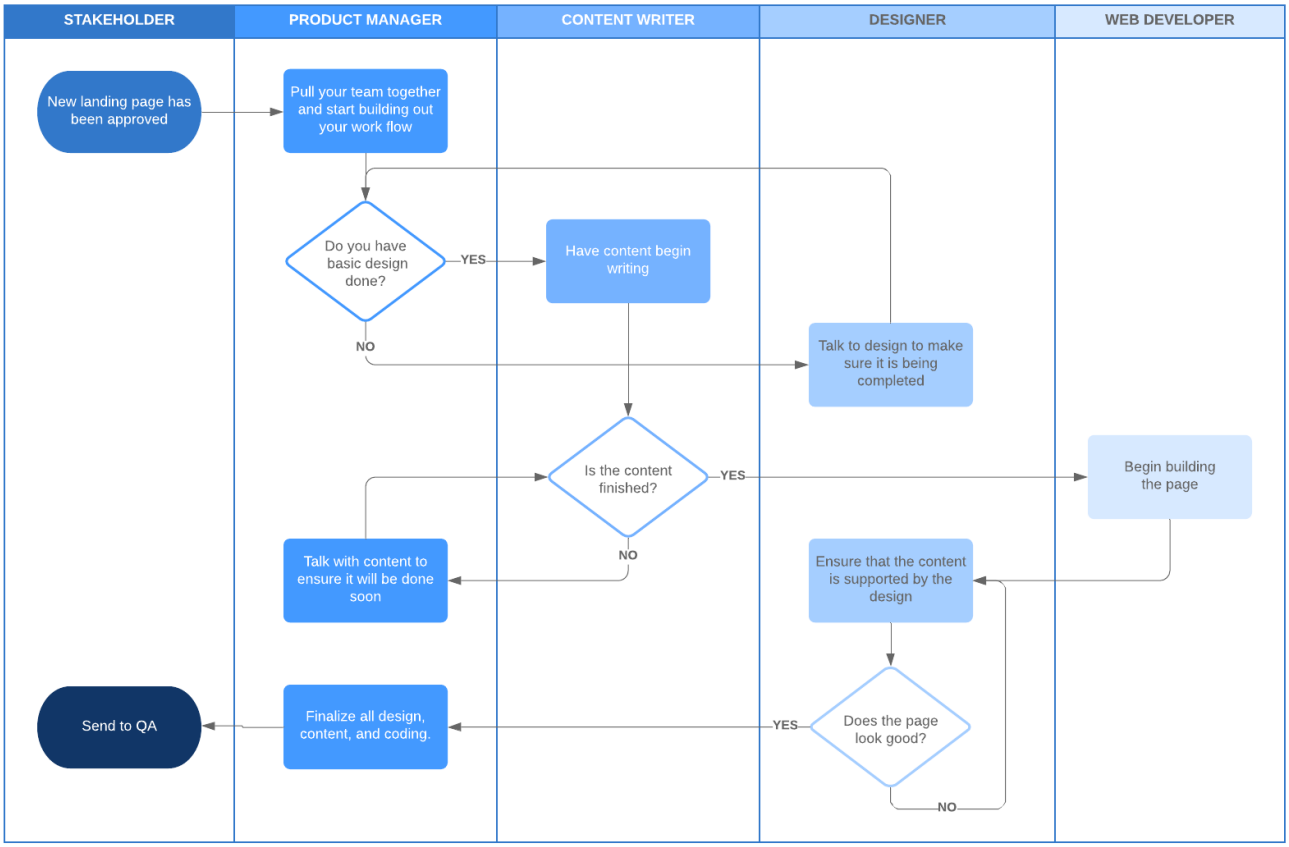
Project management steps for the planning phase

Steps for the project planning phase may include the following:

- Creating a project plan: Identify the project timeline, including the phases of the project, the tasks to be performed, and possible constraints
- Creating workflow diagrams: Visualize your processes using swimlanes to make sure team members clearly understand their role in a project

- Estimating budget and creating a financial plan: Use cost estimates to determine how much to spend on the project to get the maximum return on investment
- Gathering resources: Build your functional team from internal and external talent pools while making sure everyone has the necessary tools (software, hardware, etc.) to complete their tasks
- Anticipating risks and potential quality roadblocks: Identify issues that may cause your project to stall while planning to mitigate those risks and maintain the project's quality and timeline
- Holding a project kickoff meeting: Bring your team on board and outline the project so they can quickly get to work

Get started by mapping out all process steps and responsibilities in this workflow diagram template.



Workflow Diagram With Swimlanes (Click on image to modify this template)

3. Execution

You've received business approval, developed a plan, and built your team. Now it's time to get to work. The execution phase turns your plan into action. The project manager's job in this phase of the project management life cycle is to keep work on track, organize team members, manage timelines, and make sure the work is done according to the original plan.

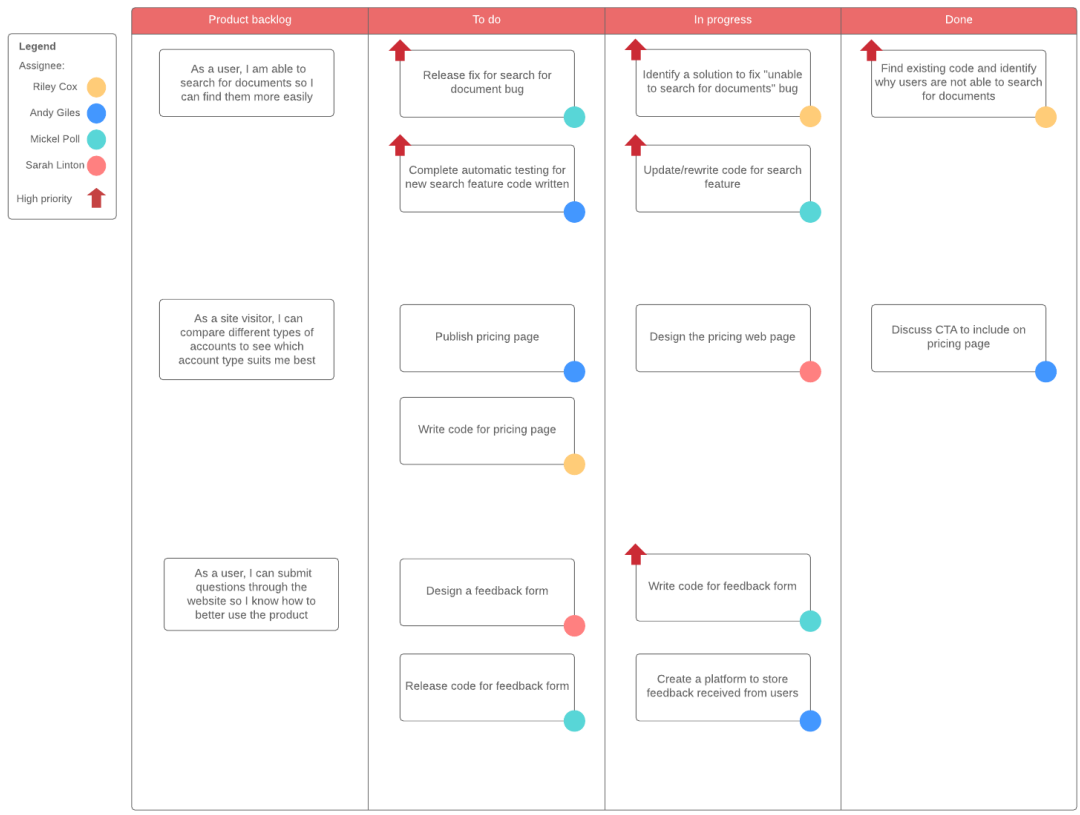
Project management steps for the execution phase

Steps for the project execution phase may include the following:

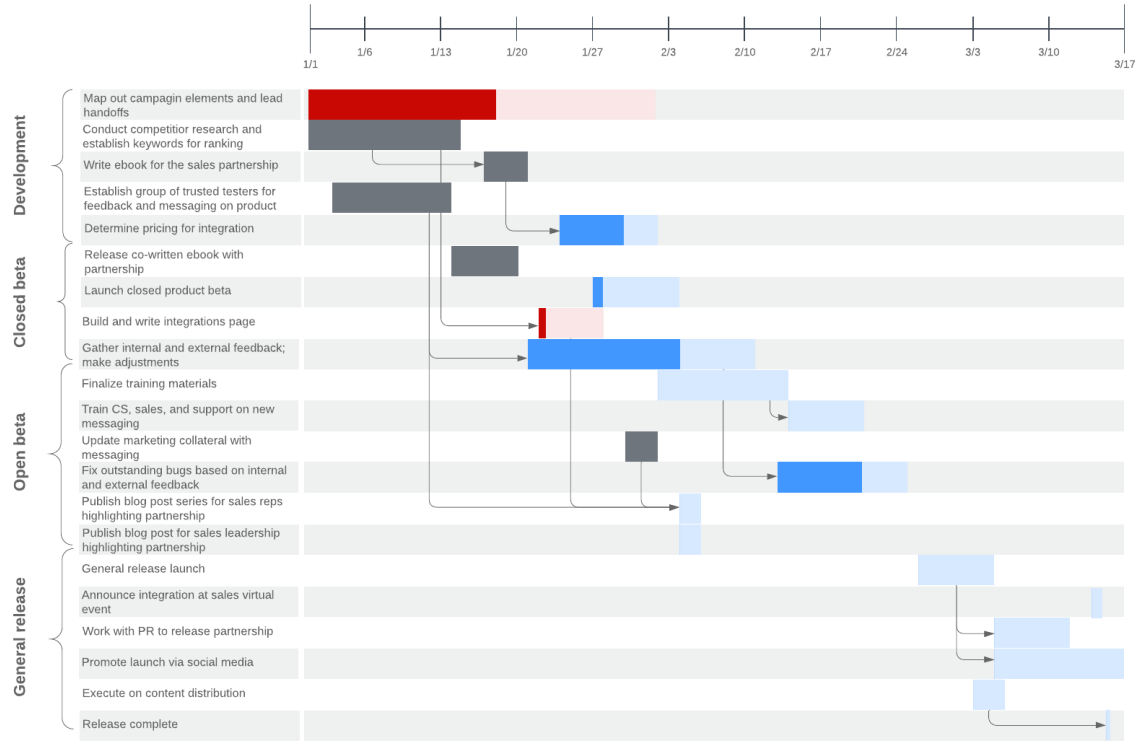
- Creating tasks and organizing workflows: Assign granular aspects of the projects to the appropriate team members, making sure team members are not overworked
- Briefing team members on tasks: Explain tasks to team members, providing necessary guidance on how they should be completed, and organizing process-related training if necessary
- Communicating with team members, clients, and upper management: Provide updates to project stakeholders at all levels
- Monitoring quality of work: Ensure that team members are meeting their time and quality goals for tasks
- Managing budget: Monitor spending and keeping the project on track in terms of assets and resources

If you have a properly documented process already in place, executing the project will be much easier.

Depending on the project management methodology you follow, there are many visual tools that you can apply to see which deliverables have been completed ensure that your project remains on track. Click the Kanban board and Gantt chart templates below to learn more.



Scrum Board Example (Click on image to modify online)



Gantt Chart Example With Progress Bar (Click on image to modify online)

4. Closure

Once your team has completed work on a project, you enter the closure phase. In the closure phase, you provide final deliverables, release project resources, and determine the success of the project. Just because the major project work is over, that doesn't mean the project manager's job is done—there are still important things to do, including evaluating what did and did not work with the project.

Project management steps for the closure phase

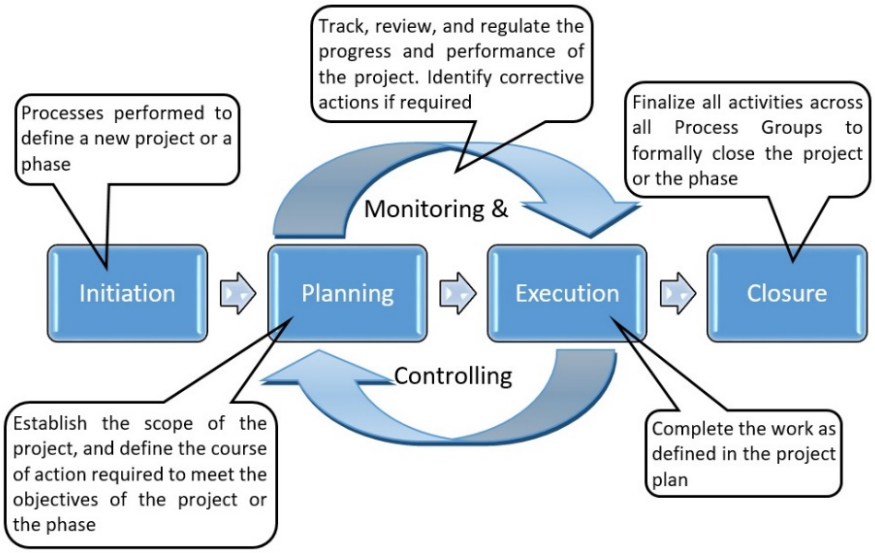
Steps for the project closure phase may include the following:

- Analyzing project performance: Determine whether the project's goals were met (tasks completed, on time and on budget) and the initial problem solved using a prepared checklist.
- Analyzing team performance: Evaluate how team members performed, including whether they met their goals along with timeliness and quality of work
- Documenting project closure: Make sure that all aspects of the project are completed with no loose ends remaining and providing reports to key stakeholders
- Conducting post-implementation reviews: Conduct a final analysis of the project, taking into account lessons learned for similar projects in the future
- Accounting for used and unused budget: Allocate remaining resources for future projects

By remaining on task even though the project's work is completed, you will be prepared to take everything you've learned and implement it for your next project.

Ref: https://www.lucidchart.com/blog/the-4-phases-of-the-project-management-life-cycle

1.3 Project Management Process



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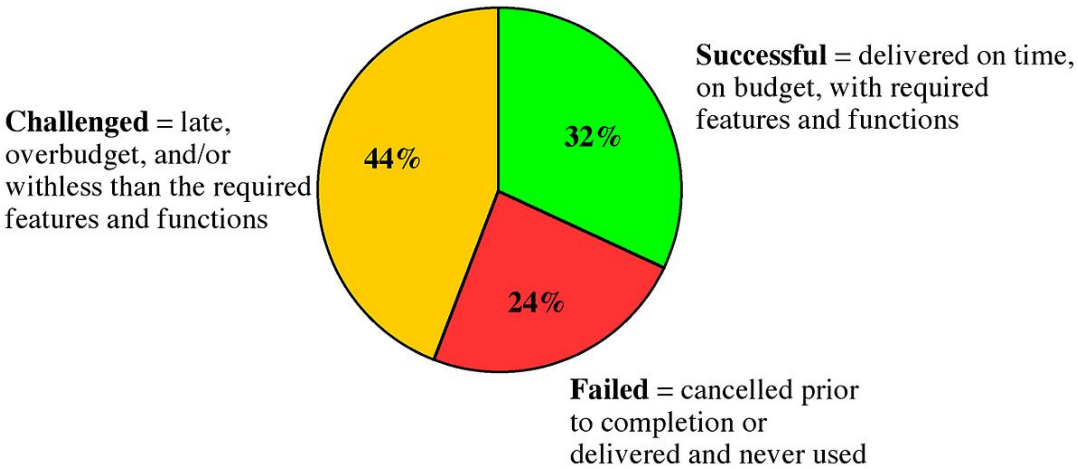
In the United States, more than $250 billion is spent each year on information technology (IT) application development in approximately 175,000 projects. The Standish Group (a Boston-based leader in project and value performance research) released the summary version of their 2009 CHAOS Report that tracks project failure rates across a broad range of companies and industries



Summary of 2009 Standish Group CHAOS report.

Jim Johnson, chairman of the Standish Group, has stated that "this year's results show a marked decrease in project success rates, with 32% of all projects succeeding which are delivered on time, on budget, with required features and functions, 44% were challenged-which are late, over budget, and/or with less than the required features and functions and 24% failed which are cancelled prior to completion or delivered and never used."

When are companies going to stop wasting billions of dollars on failed projects? The vast majority of this waste is completely avoidable: simply get the right business needs (requirements) understood early in the process and ensure that project management techniques are applied and followed, and the project activities are monitored.

Applying good project management discipline is the way to help reduce the risks. Having good project management skills does not completely eliminate problems, risks, or surprises. The value of good project management is that you have standard processes in place to deal with all contingencies.

Project management is the application of knowledge, skills, tools, and techniques applied to project activities in order to meet the project requirements. Project management is a process that includes planning, putting the project plan into action, and measuring progress and performance.

Managing a project includes identifying your project's requirements and writing down what everyone needs from the project. What are the objectives for your project? When everyone understands the goal, it's much easier to keep them all on the right path. Make sure you set goals that everyone agrees on to avoid team conflicts later on. Understanding and addressing the needs of everyone affected by the project means the end result of your project is far more likely to satisfy your stakeholders. Last but not least, as project manager, you will also be balancing the many competing project constraints.

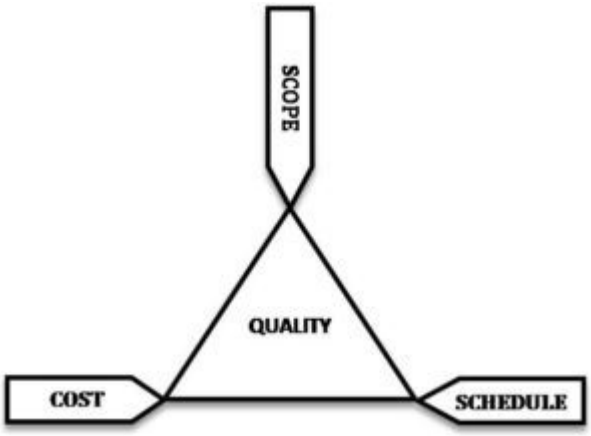
On any project, you will have a number of project constraints that are competing for your attention. They are cost, scope, quality, risk, resources, and time.

- **Cost** is the budget approved for the project including all necessary expenses needed to deliver the project. Within organizations, project managers have to balance between not running out of money and not underspending because many projects receive funds or grants that have contract clauses with a "use it or lose it" approach to project funds. Poorly executed budget plans can result in a last-minute rush to spend the allocated funds. For virtually all projects, cost is ultimately a limiting constraint; few projects can go over budget without eventually requiring a corrective action.
- **Scope** is what the project is trying to achieve. It entails all the work involved in delivering the project outcomes and the processes used to produce them. It is the reason and the purpose of the project.
- **Quality** is a combination of the standards and criteria to which the project's products must be delivered for them to perform effectively. The product must perform to provide the functionality

expected, solve the identified problem, and deliver the benefit and value expected. It must also meet other performance requirements, or service levels, such as availability, reliability, and maintainability, and have acceptable finish and polish. Quality on a project is controlled through quality assurance (QA), which is the process of evaluating overall project performance on a regular basis to provide confidence that the project will satisfy the relevant quality standards.

- **Risk** is defined by potential external events that will have a negative impact on your project if they occur. Risk refers to the combination of the probability the event will occur and the impact on the project if the event occurs. If the combination of the probability of the occurrence and the impact on the project is too high, you should identify the potential event as a risk and put a proactive plan in place to manage the risk.
- **Resources** are required to carry out the project tasks. They can be people, equipment, facilities, funding, or anything else capable of definition (usually other than labor) required for the completion of a project activity.
- **Time** is defined as the time to complete the project. Time is often the most frequent project oversight in developing projects. This is reflected in missed deadlines and incomplete deliverables. Proper control of the schedule requires the careful identification of tasks to be performed and accurate estimations of their durations, the sequence in which they are going to be done, and how people and other resources are to be allocated. Any schedule should take into account vacations and holidays.

  You may have heard of the term "triple constraint," which traditionally consisted of only time, cost, and scope. These are the primary competing project constraints that you have to be most aware of. The triple constraint is illustrated in the form of a triangle to visualize the project work and see the relationship between the scope/quality, schedule/time, and cost/resource (Figure 2.2). In this triangle, each side represents one of the constraints (or related constraints) wherein any changes to any one side cause a change in the other sides. The best projects have a perfectly balanced triangle. Maintaining this balance is difficult because projects are prone to change. For example, if scope increases, cost and time may increase disproportionately. Alternatively, if the amount of money you have for your project decreases, you may be able to do as much, but your time may increase.



A schematic of the triple constraint triangle.

1.4 Role of Project Manager

Project managers play the lead role in planning, executing, monitoring, controlling and closing projects. They are accountable for the entire project scope, project team, resources, and the success or failure of the project.

Project Manager Roles and Responsibilities

- **Planning the activities.**
- **Organizing a project team to perform work.**
- **Delegating the teams.**
- **Controlling time management.**
- **Managing deliverables.**
- **Monitor progress.**
- **Establish Regular Meetings.**

- **Communicate a vision with the team**

  A modern project manager is usually juggling over an ever-increasing number of digital tools. And how can there be balance with all the work they do? The job a manager includes things like running errands in projects and assigning tasks to the team and much more. A manager is majorly responsible for creating a team. The manager has to take care of things from laying the foundation of hiring people to get them on track. They have to develop new skills and find a work-life balance. But what can they do to have the balance with all they do? They simply need to focus on the right things and exploring is the mantra.

  Throughout the history of project management, the basic principles have always remained the same that includes managing resources, schedule, activities, and tasks. There is probably no scheduled optimization between ancient marvels of project management and modern day projects. The project manager has to be sure to control risk and minimize uncertainty. Project managers use project management software, such as ProofHub, to organize their tasks and workforce. This cloud-based system allows project managers to deliver projects on time compared with the time it may take to do it by hand. If you are taking the wheel of a project for the first time or even if you have an experience of handling several projects, be particular with the roles and responsibilities of a project manager for the success of your project.

  Key roles and job responsibilities of a project manager

  Project management is a blend of art and science and in today's business environment project managers should be well versed in a **project management system**. Today's project management has grown to include several industries and has been around for several years. A good project manager should have an entrepreneurial mindset so that they can think about the project beyond the basics of project management. They are the one responsible for the overall effort and success and failure of the object. They should have first-hand knowledge and skills to deliver up to the mark results associated with their jobs and responsibilities. To keep your business at its highest level, a project should be led by qualified managers as it makes a huge difference. Let's have a look into it.

  1. Planning the activities

  A project manager needs to set an impact strategy that includes a full list of activities that are important for the project. The key responsibility of a project manager includes planning. The project manager needs to define the scope of the project and develop a project schedule accordingly. In general, when a project manager is planning the activities it is important to target the activities effectively to do less but well. The procedures should be efficient enough to deliver the projects within specified time and budget. Also, a backup plan should be created if the situation demands.

  2. Organizing a project team to perform work

Another major role of project managers has focused their team's efforts on elaborate spreadsheets, long checklists, and whiteboards. They need to develop a plan that will support the team to reach their goal easily without hindering the performance. It is their duty to organize their team to show their full potential. A project manager will have have to sometimes put on the duties of human resources like negotiating current employees' job responsibilities, managing their times and achieving their commitment to the project, bids may be required and contracts will need to be reviewed and keeping everyone in check to make sure that the team's moves along in accordance with the plan.

3. Delegating the teams

In many situations like a big project, or various tasks involved in a project, it becomes critical to delegate responsibilities to teams wisely. It is a leadership style that every project manager has to abide with and be good at it and eventually it becomes the responsibility of a project manager that needs to be learned over time. A manager should not misuse this responsibility in putting blames or degrading the team members. The tasks need to prioritize the tasks so prioritized to the team members so that they become more effective in their abilities. The managers should also understand the strength and weakness of their teams and accordingly delegate the tasks to them. So, be a good leader who creates an environment that fosters trust through meaningful delegation.

4. Controlling time management

To make a good impression on stakeholders and clients, the project managers need to look for whether the project has succeeded or failed. A project manager needs to be able to negotiate achievable deadlines and discuss the same with the team. They need to develop a project that has the following features:

- Objective
- Process
- Estimating duration
- Schedule development
- Schedule control

5. Managing deliverables

The Project Manager is also responsible for ensuring that the deliverables are delivered on time and within budget as per the business requirements. Their job is concerned with asking questions like:

- What are the changes being made in the organization?
- What is the team doing?
- Why are we doing it?
- Is there a business opportunity or risk?
- How are we going to do it?
- What are the popular project management techniques?

- Who is doing what?
- Where are the records and project documents?
- What are the specifications, schedule, meetings etc?
- When are the things being done?

6. Monitor progress

Most of the project manager's time revolves around monitoring the status of projects. After the project has been started, a project manager has to see how much is done and if it is being done as expected. The progress of the project is made during the middle stages of the project through multiple systems like status reports, meetings and informal updates. This responsibility will become easier if a proper management system is selected by the project managers.

7. Establish Regular Meetings

Scheduling regular meetings are difficult for all project managers and it doesn't work well for every project. But a good for successful projects you probably need **one team meeting per week**. Or some project managers prefer to have daily standup meetings for a unique project methodology. The objective of the meeting should be met by communicating the rules of the project clearly to the entire team. The project managers should be ready from the beginning to prepare for meeting the objectives. They can set meeting calendar and try to stick to it until there is an emergency to cancel the plan out.

8. Communicate a vision with the team

A project manager should have a vision of where to go and the skills to understand the big picture related to any project. The vision should be conveyed to the entire team so that they understand the importance of their role to achieve the end results. The team should understand the load of work and do the possible efforts to convert goal into a mission. The appropriate tone should be set by the manager for smoother sailing down the road.

9. Managing reports and necessary documentation

Finally, when the project is completed on time and on a budget, the project manager has to then provide an appropriate documentation to present the final reports to clients and identify the areas where there is a need for future development. This is also a major responsibility of a project manager for project development. It has two main functions:

1.5 Quality Metrics

PMBOK® Guide — Third Edition, p. 182

Quality metrics are a key component of an effective quality management plan and are the measurements used in ensuring customers receive acceptable products or deliverables. Quality metrics are used to directly translate customer needs into acceptable performance measures in both products and processes. Quality Metrics in Project Management are those KPIs (Key Performance Indicators) which are critical during the realization of a project. ... If a project manager does not control the KPI, the risk of failure or project's going past the deadline drastically rise

1. PLANNED VALUE

The name says it all – it is the estimated amount of money that's needed to finish all the planned activities and tasks on time. You can try and compare it to other metrics to have a better view of the progress of the project. You will notice if some tasks are doing better than others, and you will be able to react if some tasks will be consuming too big part of the company's budget.

There are two simple formulas that you can use to calculate PV:

Planned value = (the hours scheduled on the project) X (hourly rate of an employee who works on the project)

1. Planned Value = (Planned % of tasks left to complete) X (project budget)

Example: Let's assume you have 6 months to complete the project and $5000 budget. After 3 months your team should've completed 50% of the project, so there's still 50% to go, and your budget should be around $2500. Therefore, the project planned value is 2500 USD, it's that simple.

However, if you are at 50%, but more money was spent, it means that your Actual Cost has been higher than the Planned Value.

2. ACTUAL COST

Actual Cost KPI tells you how much money your team has actually spent on the project. As it includes factors that may appear randomly, there is no formula to calculate it. You count it by adding up all the expenses that project required.

If you have all the hours tracked, it is easy to calculate the Actual Cost spent on salaries, resources, and other factors that were needed to complete the project.

3. EARNED VALUE

Probably the one, that you will be most interested in Earned Value KPI, which is also called the **Budgeted Cost of Work Performed**, is responsible for displaying the results of the planned work and the budget received for completing them.

1.6 Risk Management Process (Case Study Based)

- Identify risks and their triggers.
- Classify and prioritize all risks.
- Craft a plan that links each **risk** to a mitigation.
- Monitor for **risk** triggers during the **project**.
- Implement the mitigating action if any **risk** materializes.
- Communicate **risk** status throughout **project**

Project risk management is the process of identifying, analyzing and responding to any risk that arises over the life cycle of a project to help the project remain on track and meet its goal. Risk management isn't reactive only; it should be part of the planning process to figure out risk that might happen in the project and how to control that risk if it in fact occurs.

A risk is anything that could potentially impact your project's timeline, performance or budget. Risks are potentialities, and in a project management context, if they become realities, they then

become classified as “issues” that must be addressed. So risk management, then, is the process of identifying, categorizing, prioritizing and planning for risks before they become issues.

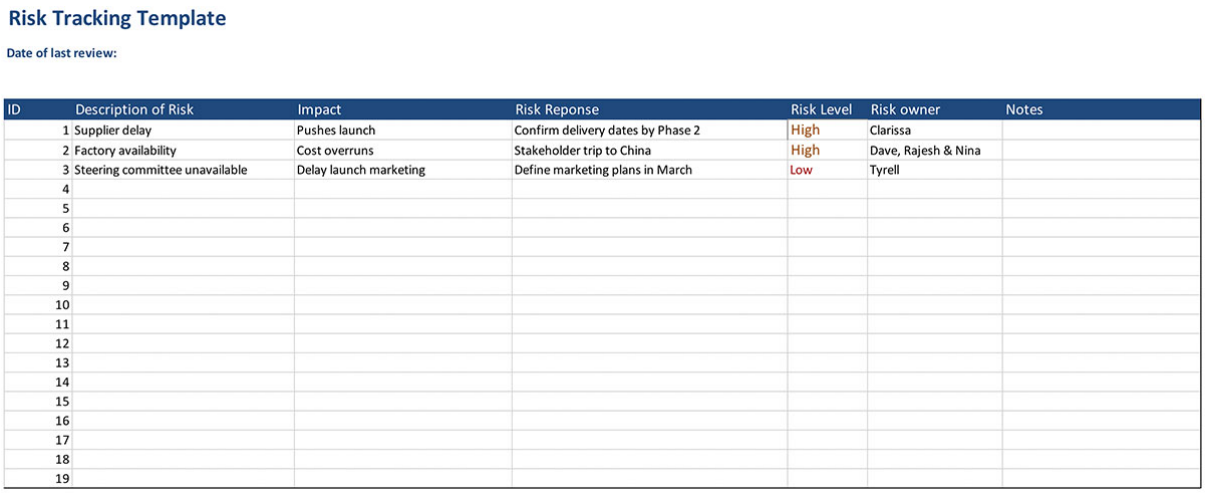
Risk management can mean different things on different types of projects. On large-scale projects, risk management strategies might include extensive detailed planning for each risk to ensure mitigation strategies are in place if issues arise. For smaller projects, risk management might mean a simple, prioritized list of high, medium and low priority risks.

How to Manage Risk

To begin managing risk, it’s crucial to start with a clear and precise definition of what your project has been tasked to deliver. In other words, write a very detailed project charter, with your project vision, objectives, scope and deliverables. This way risks can be identified at every stage of the project. Then you’ll want to engage your team early in identifying any and all risks.

Don’t be afraid to get more than just your team involved to identify and prioritize risks, too. Many project managers simply email their project team and ask to send them things they think might go wrong on the project. But to better plot project risk, you should get the entire project team, your clients’ representatives, and vendors into a room together and do a risk identification session.

With every risk you define, you’ll want to log it somewhere—using a risk tracking template helps you prioritize the level of risk. Then, create a risk management plan to capture the negative and positive impacts to the project and what actions you will take to deal with them. You’ll want to set up regular meetings to monitor risk while your project is ongoing. Transparency is critical.



Risk Tracking Template

Date of last review:

ID	Description of Risk	Impact	Risk Reponse	Risk Level	Risk owner	Notes
1	Supplier delay	Pushes launch	Confirm delivery dates by Phase 2	High	Clarissa	
2	Factory availability	Cost overruns	Stakeholder trip to China	High	Dave, Rajesh & Nina	
3	Steering committee unavailable	Delay launch marketing	Define marketing plans in March	Low	Tyrell	
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ProjectManager.com’s Risk Tracking Template.

What is Positive Risk?

Not all risk is created equally. Risk can be either positive or negative, though most people assume risks are inherently the latter. Where negative risk implies something unwanted that has the potential to irreparably damage a project, positive risks are opportunities that can affect the project in beneficial ways.

Negative risks are part of your risk management plan, just as positive risk should be, but the difference is in approach. You manage and account for known negative risks to neuter their impact, but positive risks can also be managed to take full advantage of them.

There are many examples of positive risks in projects: you could complete the project early; you could acquire more customers than you accounted for; you could imagine how a delay in shipping might open up a potential window for better marketing opportunities, etc. It's important to note, though, that these definitions are not etched in stone. Positive risk can quickly turn to negative risk and vice versa, so you must be sure to plan for all eventualities with your team.

How to Respond to Positive Risk

Like everything else on a project, you're going to want to strategize and have the mechanisms in place to reap the rewards that may be seeded in positive risk. Use these three tips to guide your way:

1. The first thing you'll want to know is if the risk is something you can exploit. That means figuring out ways to increase the likelihood of that risk occurring.
2. Next, you may want to share the risk. Sometimes you alone are not equipped to take full advantage of the risk, and by involving others you increase the opportunity of yielding the most positive outcome from the risk.
3. Finally, there may be nothing to do at all, and that's exactly what you should do. Nothing. You can apply this to negative risk as well, for not doing something is sometimes the best thing you can do when confronted with a specific risk in the context of your project.

Managing Risk throughout the Organization

Can your organization also improve by adopting risk management into its daily routine? Yes!

Building a risk management protocol into your organization's culture by creating a consistent set of standard tools and templates, with training, can reduce overhead over time. That way, each time you start a new project, it won't be like having to reinvent the wheel.

Things such as your organization's records and history are an archive of knowledge that can help you learn from that experience when approaching risk in a new project. Also, by adapting the attitudes and values of your organization to become more aware of risk, your organization can develop a better sense of the nature of uncertainty as a core business issue. With improved governance comes better planning, strategy, policy and decisions.

6 Steps in the Risk Management Process

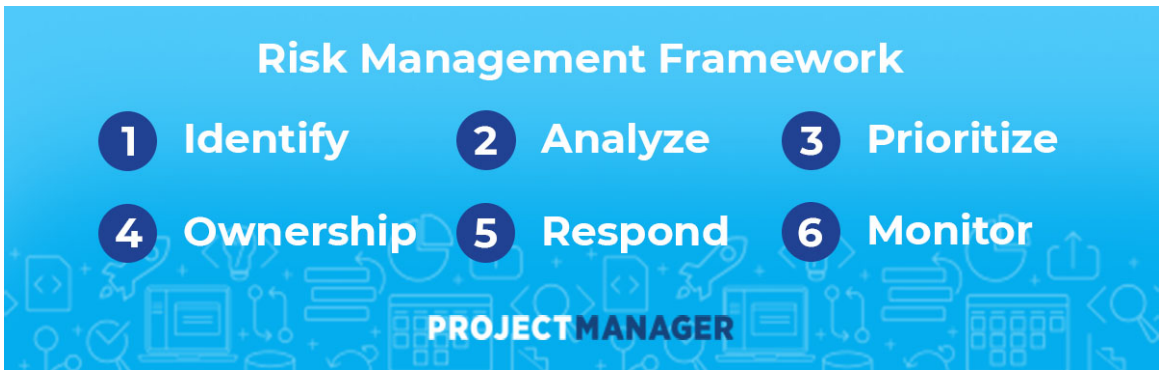
So, how do you handle something as seemingly elusive as project risk management? You make a risk management plan. It's all about process. Turn disadvantages into an advantage by following these six steps.

Identify the Risk

You can't resolve a risk if you don't know what it is. There are many ways to identify risk. As you do go through this step, you'll want to collect the data in a risk register.

One way is brainstorming with your team, colleagues or stakeholders. Find the individuals with relevant experience and set up interviews so you can gather the information you'll need to both identify and resolve the risks. Think of the many things that can go wrong. Note them. Do the same with historical data on past projects. Now your list of potential risk has grown.

Make sure the risks are rooted in the cause of a problem. Basically, drill down to the root cause to see if the risk is one that will have the kind of impact on your project that needs identifying. When trying to minimize risk, it's good to trust your intuition. This can point you to unlikely scenarios that you just assume couldn't happen. Remember, don't be overconfident. Use process to weed out risks from non-risks.



Analyze the Risk

Analyzing risk is hard. There is never enough information you can gather. Of course, a lot of that data is complex, but most industries have best practices, which can help you with your analysis. You might be surprised to discover that your company already has a framework for this process.

When you assess project risk you can ultimately and proactively address many impacts, such as avoiding potential litigation, addressing regulatory issues, complying with new legislation, reducing your exposure and minimizing impact.

So, how do you analyze risk in your project? Through qualitative and quantitative risk analysis, you can determine how the risk is going to impact your schedule and budget.

Prioritize the Risk

Not all risks are created equally. You need to evaluate the risk to know what resources you're going to assemble towards resolving it when and if it occurs.

Having a large list of risks can be daunting. But you can manage this by simply categorizing risks as high, medium or low. Now there's a horizon line and you can see the risk in context. With this perspective, you can begin to plan for how and when you'll address these risks.

Some risks are going to require immediate attention. These are the risks that can derail your project. Failure isn't an option. Other risks are important, but perhaps not threatening the success of your project. You can act accordingly. Then there are those risks that have little to no impact on the

overall project's schedule and budget. Some of these low-priority risks might be important, but not enough to waste time on.

Assign an Owner to the Risk

All your hard work identifying and evaluating risk is for naught if you don't assign someone to oversee the risk. In fact, this is something that you should do when listing the risks. Who is the person who is responsible for that risk, identifying it when and if it should occur and then leading the work towards resolving it?

That determination is up to you. There might be a team member who is more skilled or experienced in the risk. Then that person should lead the charge to resolve it. Or it might just be an arbitrary choice. Of course, it's better to assign the task to the right person, but equally important in making sure that every risk has a person responsible for it.

Think about it. If you don't give each risk a person tasked with watching out for it, and then dealing with resolving it when and if it should arise, you're opening yourself up to more risk. It's one thing to identify risk, but if you don't manage it then you're not protecting the project.

Respond to the Risk

Now the rubber hits the road. You've found a risk. All that planning you've done is going to be put to use. First you need to know if this is a positive or negative risk. Is it something you could exploit for the betterment of the project?

For each major risk identified, you create a plan to mitigate it. You develop a strategy, some preventative or contingency plan. You then act on the risk by how you prioritized it. You have communications with the risk owner and, together, decide on which of the plans you created to implement to resolve the risk.

Monitor the Risk

You can't just set forces against a risk without tracking the progress of that initiative. That's where the monitoring comes in. Whoever owns the risk will be responsible for tracking its progress towards resolution. But you will need to stay updated to have an accurate picture of the project's overall progress to identify and monitor new risks.

You'll want to set up a series of meetings to manage the risks. Make sure you've already decided on the means of communications to do this. It's best to have various channels dedicated to communication.

Ref : https://www.projectmanager.com/blog/risk-management-process-steps

==========Thank You==========