

Module 7 MGMT 6062

Implement & Manage Risk & Opportunity Responses

Implementing Risk & Opportunity Plans: context

Actions so far

- Reviewed internal project activities, external situations
 - Political, economic, social, technological,, legal, environmental
 - Identified and analyzed Risks & Opportunities
- Prioritized the various solutions & documented the Business Case
 - Actions to lower Risks: Cost, Time, Lost Benefits
 - Actions to enhance Opportunities: Cost, Time, added Benefits
 - Explanations of why particular solutions are recommended
 - Cash flows, including **Financial** and **Economic**
- Requested approval for Risk & Opportunity plans

Why request Plan approval?

- At least three reasons WHY we ask for Plan approval
 1. For a project to be successful, it needs resources & commitment
 2. A company's top management has accountability for its actions
 3. We have a professional & ethical responsibility to engage others

Implementing Risk and Opportunity Plans: next steps

Next steps

- As noted in Module 6, update Project Documents, for example:
 - Business Case
 - Project Management Plan
 - WBS & Schedule
 - Team Roles & Accountabilities
 - Benefits Realization Plan
 - Supplier Agreements
- Communicate actions to resolve Risks and pursue Opportunities

What happens in the real world?

- Business as usual:
 - Risks and Opportunities were identified & prioritized, with actions included in the original project plan
- Business change:
 - As with any other scope, schedule, cost or benefit change: we communicate changes & insist on maintaining commitment

Managing Risk & Opportunity Plans

Real World Expectations: Manage Plans as part of normal project review & reporting activities

Daily

- Visit the Job Site at the beginning of the day, discuss, make notes
 - What did we plan to do yesterday? What did we actually do?
 - What are today's plans? Any problems? How will they be solved?
 - What are the health and safety requirements for today?
- If we & the team can't solve an issue: find out who can.

Weekly

- With inputs from team, prepare report & send to Management
 - What did we do this week? How did we solve problems?
 - What are the plans for next week?
 - Where do we need Management to help? Change request?
 - Ask them immediately; nobody likes surprises.

Monthly

- Again, prepare report & send to Management
 - What did we do this month? How did we solve problems?
 - What are the plans for next month? Next three months?
 - Are previous Change Requests resolved? Status?
 - Where do we need Management to take further action?

Managing Risk & Opportunity Plans: other considerations

Yes it can
happen here

- Incompetence, negligence, inattention
- Intentional misconduct, and excuses
- Pressure to deliver results tends to create other problems

Calibrate
yourself

- Imagine three different outcomes – good and bad!
 - How can they be assured? Why?
 - How might they be prevented? Why?
 - Do we ‘trust the analysis and the numbers’? Why or why not?

Pay attention to
Quality

- Validation: to what extent are we meeting customer needs?
 - What has the customer agreed to? What do they really want?
 - Does the project need a change in scope?
- Verification: is the project & process following design specification?
 - Is it logical and technically correct? Why or why not?
 - Who can explain and correct it? How?
- Schedule internal audits, external audits and Management Reviews

End Module 7