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| Operations & Training Risk Management Plan | |  |
| **Author:** GT  **Status:** Final | **Created:** Mar 1  **Updated:** Mar 31 |  |

# Objective

The objective of this document is to identify potential and unidentified risks for the Operations & Training Plan, that could increase costs and/or affect the timely completion or success of the project.

Executive Summary

The purpose of the project is to create training processes to optimize day-to-day logistics procedures and operations, in order to increase customer satisfaction and eventually increase Office Green revenue. The milestones consist of establishing a logistics plan, purchasing resources and developing and launching the employee training within 6 months of initiation. Potential risks surface from vendor relations and are related to budget, while Operational risk are related to people and training schedule.

**RISK TYPE ONE: Going over the project budget**

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| --- | --- | --- |
| **Scenario** | **Risk to project (L/M/H)** | **Mitigation Plan** |
| **Each delivery truck costs $16,000 more than initially quoted** | **H** | **Avoid.** Pay upfront to the truck dealership to ensure the initial sale price, and avoid the risk of price changes in the future |
| **A product vendor charges a higher rate than expected.** | **M** | **Reduce.** Reduce the change of vendor increasing price by securing alternative offers from different vendors |
| **A product vendor loses a product shipment.** | **L** | **Transfer.** Transfer the risk to a 3rd party by purchasing shipment insurance |

**RISK TYPE TWO: Falling behind the training schedule**

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| --- | --- | --- |
| **Scenario** | **Risk to project (L/M/H)** | **Mitigation Plan** |
| **Training Manager gets sick and misses a week of training** | **L** | **Accept.** Accept the risk since the impact is low  (Could Reduce. by hiring an assistant training manager to replace the manager in case of sickness but it might outweigh costs) |
| **You cannot hire enough employees in time to train them before launch.** | **M** | **Transfer.** By outsourcing the hiring process, to support HR department, or provide HR resources to complete trainings sooner |
| **More than 50% of employees quit after a difficult training process, leaving the company short-staffed.** | **M** | **Reduce.** Reduce the risk of employees quitting due to burnout by ensuring work-life balance and satisfying compensation |

Appendix:

**Probability chart:**

|  |  |  |
| --- | --- | --- |
| **Probability** | | |
|  | **Qualitative** | **Quantitative (if measurable)** |
| **Low** | Very low chance of risk occurring. | Less than <10% chance of risk occurring. |
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| **Medium** | Medium chance of risk occurring. | 10%-49% chance of risk occurring. |
| **High** | High chance of risk occurring. | 50%-100% chance of risk occurring. |
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**Impact chart:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Types of Impact** | **Low** | **Medium** | **High** |
| **Financial** | Low financial impact,  costing the company $0-$14,000 | Medium financial impact,  costing the company $15,000-$29,000 | High financial impact,  costing the company $30,000 or more |
| **Operational** | Low impact to project operations, causing delays of a few days to a few weeks | Medium impact to project operations,  with potential to delay project by a month or more | High impact to project operations,  with potential to cause project failure |
| **People** | Low impact to employee attrition, with 5%+ of employees quitting | Medium impact to employee attrition, with 25%+ of employees quitting | High impact to employee attrition, with 50%+ employees quitting |

**Probability and Impact Matrix:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Inherent Risk** | | | | |
|  | | **Impact** | | |
| **Low** | **Medium** | **High** |
| **Probability** | **High** | Medium | High | High |
| **Medium** | Low | Medium | High |
| **Low** | Low | Low | Medium |