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| Operations & Training Risk Management Plan | |  |
| **Author:** Project Manager  **Status:** Draft / Final | **Created:** Oct 3  **Updated:** Oct 3 |  |

# Objective

The purpose of this risk management plan is to identify and assess the potential risks associated with the launch of Plant Pals operations, and to establish effective strategies to mitigate them and ensure the success of the project.

Executive Summary

The Plant Pals project aims to launch a new line of sustainable gardening products. Key milestones include completion of staff training and on-time product delivery. However, there are significant budgetary risks, such as increased costs in the purchase of delivery trucks and higher vendor rates. In addition, the training schedule may be affected by staff shortages or illness of the training manager.

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

|  |  |  |
| --- | --- | --- |
| **Scenario** | **Risk to project (L/M/H)** | **Mitigation Plan** |
| **The cost of each delivery truck exceeds the initial quotation by USD 16,000.** | **High (H)** | Negotiate fixed prices with the supplier and create a contingency fund. |
| **Supplier charges a higher-than-expected fee** | **Medium (M)** | Research and compare prices from different suppliers to ensure the best possible rate. |
| **Supplier loses a shipment** | **Medium (M)** | Ensure shipping insurance and diversify suppliers to minimize reliance on a single source. |

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

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| --- | --- | --- |
| **Scenario** | **Risk to project (L/M/H)** | **Mitigation Plan** |
| **Training manager falls ill and misses a week of training** | **Medium (M)** | Cross-train other team members to ensure continuity of training delivery. |
| **Insufficient hiring of employees before training** | **High (H)** | Start the hiring process early and implement incentives for quick recruitment. |
| **More than 50% of employees resign after difficult training** | **Low (L)** | Enhance training support and feedback mechanisms to improve employee retention and satisfaction. |

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-$16,000 | Medium financial impact,  costing the company $16,000-$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 |

**Conclution**

The launch of Plant Pals operations presents several risks that must be carefully managed to ensure the success of the project. Budget risks, such as increased cost of delivery trucks and unexpected vendor fees, could lead to significant budget slippage, which would negatively impact the financial viability of the project. On the other hand, risks associated with the training schedule, including the possible absence of the training manager and difficulty in hiring the right personnel on time, can result in critical delays that affect the project launch. Implementing an effective mitigation plan is essential to address these risks. Strategies should include continually evaluating vendors, creating a contingency plan for training, and being able to adjust the budget in response to unforeseen changes. In addition, it is crucial to foster open communication within the team to identify and resolve issues quickly as they arise. Through proactive risk management, Plant Pals can minimize the impact of these challenges and ensure a successful launch, enabling the organization to meet its objectives and maximize ROI. Constant monitoring and flexibility in the execution of the plan will be key to navigating the uncertainties inherent in the project.