



For the Change Makers

IB3820 Project Management

Seminar 4: Risk

Recap: What is risk?

“Project risk is an **uncertain event** or **condition** that, if it occurs, has a positive or negative effect on one or more project objective.”



(PMI 2017)

Probability Impact Chart

Risks

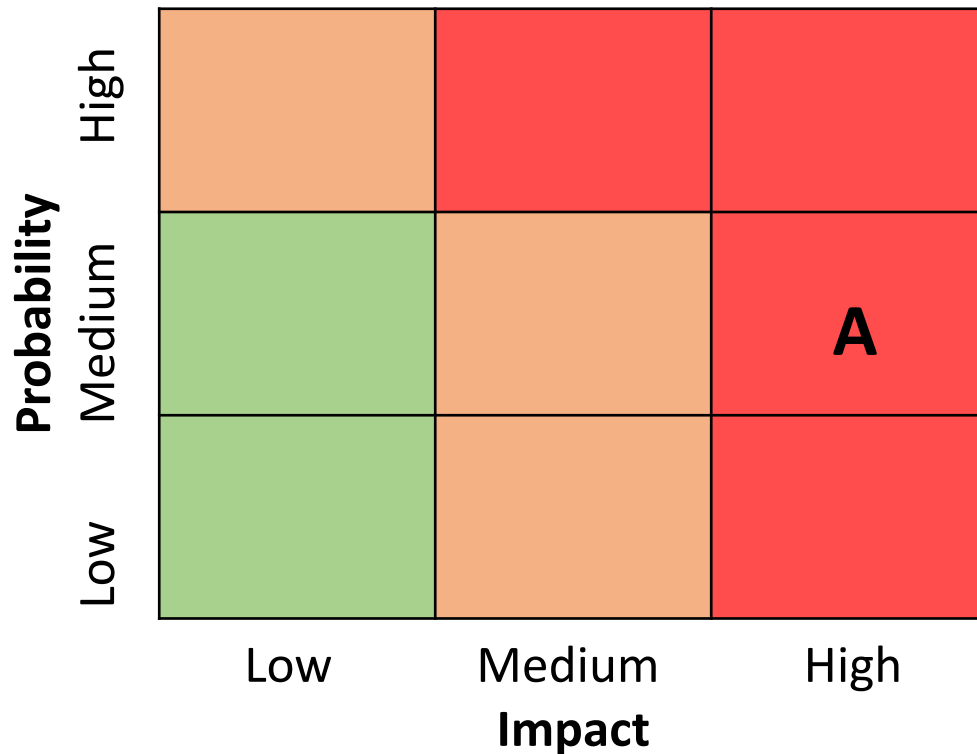
A. equipment failure

B.

C.

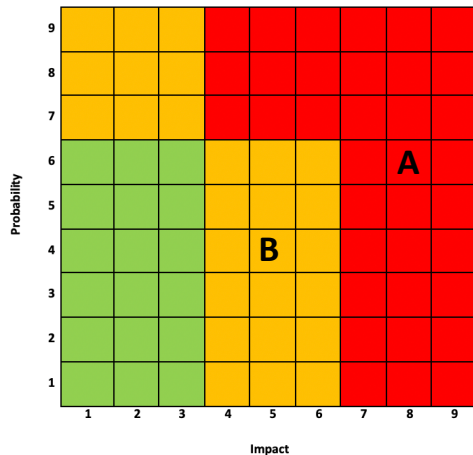
D.

E.



Task 1: Probability-Impact Chart

A.
 B.
 C.
 D.
 E.



1. Download the worksheet. Write down five issues (negative or positive) that might occur during a music video project.
2. Then, position each of the issues on the chart according to **probability and impact**.
3. Complete the **Risk Register** at the bottom of the worksheet planning a response strategy.

Risk	Risk Description	Urgency	Risk Owner	Risk Response Plan	Date of entry

Sensitivity Analysis

Example

Costs:
Materials £30k
Equipment £25k
Direct labour £30k
Overheads £10k

Budget: fixed at
£100k

		Materials & Equipment		
		- 10%	expected	+ 10%
Labour & Overheads	- 10%	100000	100000	100000
		-49500	-55000	-60500
		-36000	-36000	-36000
		14500	9000	3500
	expected	100000	100000	100000
		-49500	-55000	-60500
		-40000	-40000	-40000
		10500	5000	-500
	+ 10%	100000	100000	100000
		-49500	-55000	-60500
		-44000	-44000	-44000
		6500	1000	-4500

Task 2: Sensitivity Analysis

1. Complete the sensitivity analysis by following the instructions in the worksheet.
2. Find out the worst-case scenario figure.
3. Check that the formulae worked correctly in the spreadsheet.
4. Then, write your suggestions for how the project could avoid the worst-case scenario overspend.

			
		-10%	Expected	+10%
.....	-10%			
	Expected			
	+10%			

Submit your work

IB3820 Week 4: Seminar Tasks



