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| **Types of Risks** | **Risk description** |
| Business risk | **-**Faulty product  -Product competition |
| Products risk | **-** Complex features affecting multiple areas of the existing product  - New technology used in the product example a new DB server, a new programming language etc.  - Tight schedule, that make people work in a rush and commit more mistakes |
| Project risk | **-** Lack of technical knowledge on specific areas of the product  - Lack of testing environment and/or data that effectively simulate real customer usage |

**STRATEGIES AND PRACTICES**

NEGATIVE RISK MANAGEMENT STRATEGIES

🡪Avoid

-Avoidance eliminates the risk by removing the cause, this may lead to not doing the activity or doing the activity in a different way. Example of this approach includes extending the schedule or changing the scope of the project activity.

🡪Transfer

-In this approach, the risk is shifted to a third party. The third party like insurance company or vendor is paid to accept or handle the risk on your behalf as well as impact of the risk.

-This strategy doesn’t eliminate the risk, but it reduces the direct impact of the risk on the project and this approach is most effective in covering financial risk exposure.

🡪Mitigate

-This approach is based on the fundamental principle that earlier the action taken to reduce the probability or impact of a risk is more effective than doing fixes to repair the damages after the risk occurs. Mitigation may require a prototype development to measure the risk level, the risk impact reduction is targeted by identifying the linkages that determine the risk severity.

🡪Accept

Acceptance can be passive acceptance or active acceptance; passive acceptance requires no action except to document the risk and leaving the team to deal with the risks as they occur. In an active acceptance approach, a contingency is designed to recover the losses of time, money or resources.

POSITIVE RISK MANAGEMENT STRATEGIES

🡪Evaluate early and often

-The better time to start on the risk management process is at the beginning of the project and it will continue throughout the project i.e. Risk never sleeps

🡪Communications

-Having a clear channel to communicate risk throughout the team is key to identifying and responding quickly and effectively to risk

🡪Involve stakeholders

-Involve them throughout the process, from asking for their participation with the risk assessment template and over the whole course of the project