Risk Management Plan

Revision 1.0

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# Introduction

The purpose of this document is to define how risk are handled during project development, including risk identification, risk analysis, and risk respond. Which in terms, can minimize potential lost while predicting any unforeseen situation in the future.

Throughout the development of this project, project manager (PM) and development manager (DM) will closely monitor project progress and brainstorm any potential risk continuously. Once the risk is identified, PM and DM will analysis and discuss about its impact and respond measure.

Once the risk has been analyzed and documented correctly, some precautions will take place if applicable, otherwise we will store them for quick reference when that risk surfaced.

# Risk Identification

## 

|  |  |  |
| --- | --- | --- |
| **Actions** | **Responsible personnel(s)** | **Duration** |
| Brainstorming:  (Divided in 3 sessions)   * PM & DM * DM & DT * PM & DM & DT | Project manager (PM)  Development manager (DM)  Development team (DT) | 1 ~ 2 hours each |
| Delphi method:  PM, DM, and core of DT will seat together to discuss each discovery of potential risk. Then come into consensus on the next step of each item. | PM  DM  Core of DT | 2 ~ 5 hours |
| Documentation:  Once consensus is reached, all risks would need to be properly documented for future reference. | PM | Depends on the number of risks discovered |

# Risk Analysis

## Qualitative Analysis:

After the risk identification phase, PM will move onto qualitative analysis phase. The purpose of qualitative analysis is to identify and categorize the consequence of potential risks.

Three main aspects must be address during this phase, they are impacts, precautious measures, and method of monitor and measure. The detail of each aspect is listed below.

Identification of Impact is a critical part of qualitative analysis, since risk is a function of probability of occurrence and its consequence. Without properly evaluating the impact of a risk, we would likely to underestimating or overestimation resources needed to address them. Which would result in a unforeseeable threat to the entire project.

On the other hand, precautious measure is a strategy of minimizing uncertainty, preventing risk to surface in this case. Once risk is identified during identification phase, project manager is responsible to research on the possibility of precautious measures. Which then according to its risk level, project manager will implement and address throughout the project duration.

Lastly, method of monitor and measure is a guideline of how to measure and monitor a specific risk, such that project manager can understand the progress and severances before and after deployment of precautious measures.

In conclusion, project management and related personnel would come into consensus about *impacts, precautious measures, method of monitor and measure* for each identified risk. Generally speaking, this analysis process shouldn’t take longer an hour for each risk.

Quantitative Analysis:

The purpose of quantitative analysis is to identify effort required to fully address identified risk. Project manager is recommended to be a moderator only, since development team would have more experience and knowledge in this aspect.

Furthermore, effort should be identified with an unit of man-hour for ease of calculation later on.

# Response planning

The objective of response planning is to develop strategies on reducing threats of the overall project. In this case, risks will be address and tackle base on their priority, resources require and activated needed from difference parties.

It’s highly recommended that each identified risk to consist at least one response plan, such that we can minimize the response time when necessary action needs to take place for identified risks.

Number of response strategies are listed below for quick references.

**Negative risk response strategies**:

1. Avoidance: The project is altered to avoid the identified risk.
2. Mitigation: Effort is made to reduce the probability, impact, or both of an identified risk in the project before the risk event occurs.
3. Transference: The risk is assigned to a third party, usually for a fee. The risk still exists, but the responsibility is deflected outside of us.

**Positive risk response strategies:**

1. Exploit: Used in conjunction with positive impacts where the host organization wants to ensure the positive risk definitely happens.
2. Share: Third-party partnerships that include forming risk-sharing partnerships, teams, special-purpose companies, or joint ventures, which can be established with the express purpose of managing opportunities.
3. Enhance: Seeks to facilitate or strengthen the cause of the opportunity, and proactively targeting and reinforcing its trigger conditions, to potentially increase probability.