

Date: 15/09/2025

Lab Practical #15:

Identify and understand common risks in IT projects.

Practical Assignment #15:

Research common risk sources in IT projects (e.g., technology, scope, budget). Document the risks and their potential impacts.

Description:

Objective

To research and document common risk sources in IT projects, understand their categories, and analyse their potential impacts on project success.

Common Risk Sources in IT Projects

1. Technology Risks

- **Description:** Risks arising from the use of new, untested, or rapidly evolving technologies.
- **Examples:**
 - Incompatibility between systems or platforms
 - Software/hardware failures
 - Cybersecurity vulnerabilities
- **Potential Impacts:**
 - Project delays due to technical failures
 - Increased costs for troubleshooting/replacement
 - Data breaches leading to reputational damage

2. Scope Risks

- **Description:** Risks related to poorly defined or continuously changing project requirements.
- **Examples:**
 - Scope creep (uncontrolled changes or additions)
 - Misalignment with stakeholder expectations
- **Potential Impacts:**
 - Delay in project delivery
 - Exceeding planned budget and resources

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- Low customer satisfaction

3. Budget Risks

- **Description:** Risks associated with inaccurate cost estimation or financial resource allocation.
- **Examples:**
 - Underestimated development/testing costs
 - Fluctuating vendor/third-party service charges
- **Potential Impacts:**
 - Budget overruns
 - Reduced project profitability
 - Project cancellation

4. Schedule Risks

- **Description:** Risks linked to unrealistic timelines or poor project planning.
- **Examples:**
 - Delays in task dependencies
 - Inadequate resource allocation
- **Potential Impacts:**
 - Missed deadlines
 - Increased costs due to extended timelines
 - Lower stakeholder trust

5. Human Resource Risks

- **Description:** Risks due to dependency on skilled personnel and team performance.
- **Examples:**
 - Lack of skilled staff
 - High employee turnover
- **Potential Impacts:**
 - Knowledge gaps

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- Slow progress in critical project phases
- Lower quality of deliverables

6. Vendor/Third-Party Risks

- **Description:** Risks caused by external service providers or suppliers.
- **Examples:**
 - Delays from vendors
 - Vendor financial instability
- **Potential Impacts:**
 - Project dependency failures
 - Increased costs for alternative vendors
 - Legal and contractual disputes

7. Operational Risks

- **Description:** Risks affecting day-to-day operations during the project.
- **Examples:**
 - Inefficient processes
 - Lack of proper testing environment
- **Potential Impacts:**
 - Poor project quality
 - Frequent rework cycles
 - Loss of productivity

8. Legal & Compliance Risks

- **Description:** Risks of not following regulations, laws, or industry standards.
- **Examples:**
 - Violating data protection laws (e.g., GDPR)
 - Copyright infringement
- **Potential Impacts:**

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- Penalties and fines
- Project delays for compliance checks
- Reputational loss

9. External Risks

- **Description:** Risks outside the organization's control.
- **Examples:**
 - Market fluctuations
 - Economic downturn
 - Political or natural disasters
- **Potential Impacts:**
 - Project suspension or cancellation
 - Increased project costs
 - Resource unavailability

Conclusion

IT projects face multiple risks from technology, scope, budget, and external factors. Identifying these risks early and analysing their potential impacts helps project managers plan mitigation strategies, ensuring higher chances of project success.