There are 2 types of risk approaches:

**Pro-active:** Plan for it in advance

**Re-active:** Handle risk as it happens. You do not know what happens, till it happens. No backup plan ect. This is normally in development stages, where there is time to deal with it.

A big difference between the 2 is **experience.**

**If** you have **experience, re-active is** very efficient. AS you will know how to deal with many things/scenarios/cases. And vise versa.

**Therefore, re-active** requires **knowledge/experience** to limit damage. For experienced, pro-active seen as waste of time.

**Pro-active** requiresa lotof **time** for planningout and has a **high cost.** You have to set up a **list of all the potential** risks you can encounter, and how to combat them.

But on the other hand, if you have a lot of experience, you can simply debug the issue (react to it). This cuts down time, as you only think about it when it happens.

When it comes to hardware, experience can help, but cant always help you when moving over to new hardware.

Risk has 2 categorises:

**Uncertainty:** It may or may not occur.

**Loss:** If the risk becomes a reality, what is the potential loss.

**Technical risk:** Quality, timeliness of production, delay of production, cost of risk.

**Business risk**: Cannot always plan for this. This threatens the viability of software being built.  
There are **3 big risks** here:  
-Building an excellent project that no one wants.  
-Building a project that no longer first the business strategy.  
-Building a project that the sales team does not know how to sell.  
-Stakeholders: The moment you lose their support, the project has little to no chance of going forward.   
-Change of management can change how things go/stop project.  
-Losing budget/personal: Losing personal/budget half way through.

**Project risk**: Anything that can effect the project as a whole. What can effect the project, as it probably effect entire system.

You can have a checklist to determine potential risks.  
-Scope management, configuration management can provide a generic risk list as a category.

The time and resources you have available determines how good the risk list is.