1 RISK MANAGEMENT PROCEDURE

1.1 PROCESS

We opted for a three-phase approach for the ERP implementation risk management - planning, implementation and post-implementation. The stages for accomplishing this process derived from the Open Process Framework are: identifying and classifying risk, analysing risk, developing an approach to identified risk, tracking risk, and treating risk.

Figure 1: Open Process Framework (OPF)

1.2 RISK IDENTIFICATION.

Risk Breakdown Structure(RBS), a tool for risk identification, will be used to identify risks. The main areas under which we categorised risks are technical, operational, management, strategy, and schedule.

```
                        Risks
     ┌──────────┬──────────┼──────────┬──────────┐
  Technical  Operational Management  Strategy   Schedule
```

Figure 2: Risk Breakdown Structure (RBS)

1.2.1 Technical.
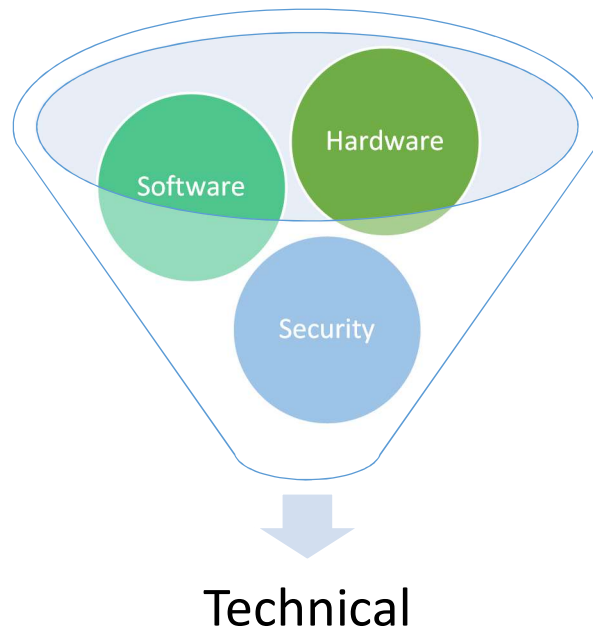
Technical

Figure 3: Technical Risks

Risk Source : Hardware

- Initiating Event/Action/Conditions : Sytem Consraints, Poor Architecture/Design

Risk Source: Software

- Initiating Event/Action/Conditions : Lack of agility to adapt to changes in business processes. Misalignment with current business-specific processes.

Risk Source : Security

- Initiating Event/Action/Conditions : Poor access control.Authorisation creep. Information security violation.

1.2.2 Operational.

Figure 4: Operational Risks.

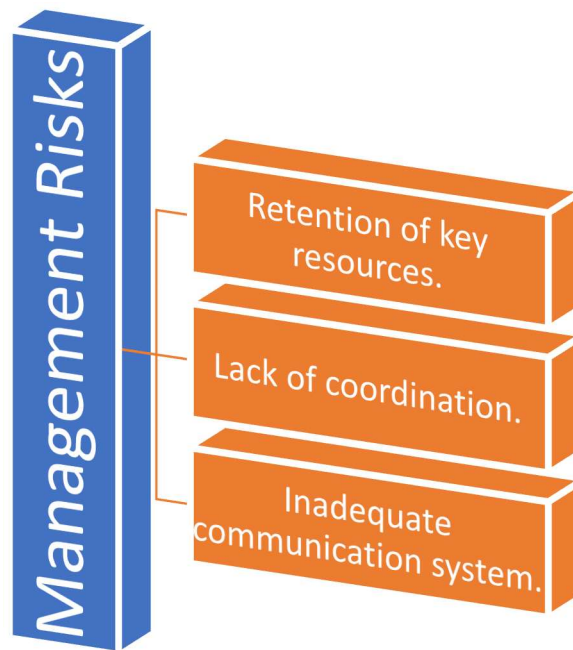### 1.2.3 Management.

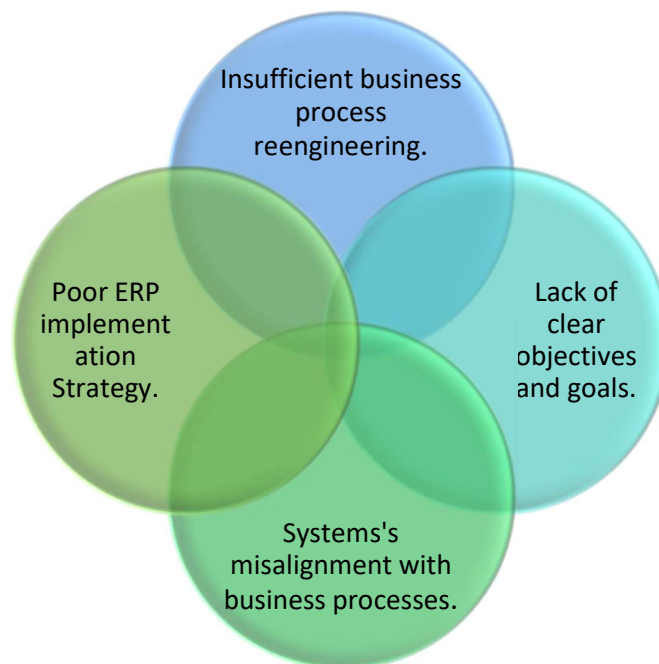*Figure 5: Management Risks.*

1.2.4 Strategy.

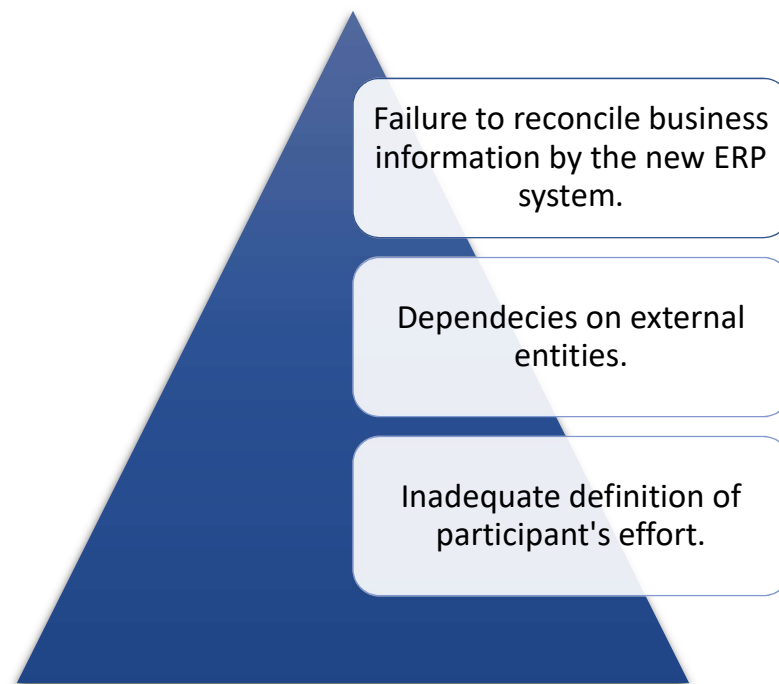*Figure 6: Strategy Risks.*

1.2.5 Schedule.

Figure 7: Schedule Risks.

1.3 TOOLS AND PRACTICES.

The risk manager will maintain a risk register combined with a risk log and be subjected to review as an agenda item for risk management meetings.

References :

Aloini, D., Dulmin, R., & Mininno, V. (2007). Risk management in ERP project introduction: Review of the literature. *Information and Management*, *44*(6), 547–567. https://doi.org/10.1016/j.im.2007.05.004

Dey, P. K., Clegg, B., & Cheffi, W. (2013). Risk management in enterprise resource planning implementation: A new risk assessment framework. *Production Planning and Control*, *24*(1), 1–14. https://doi.org/10.1080/09537287.2011.597038

Leopoulos, V., Kirytopoulos, K., & Voulgaridou, D. (2006). A model for risk identification in ERP system processes. *WIT Transactions on Ecology and the Environment*, *91*, 143–152. https://doi.org/10.2495/RISK060141

Thangamani, G. (2018). Practical Risk Assessment Methodology for ERP Project Implementation. *Journal of Economics, Business and Management*, *6*(3), 84–90. https://doi.org/10.18178/joebm.2018.6.3.555