



# Operations & Training Risk Management Plan

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## Objective

The objective of this document is to identify potential problems before they occur, and how to deal with specific risks and what risk managing actions can be taken in order to mitigate or remove threats to the project activities and outcomes.

## Executive Summary

Project Plant Pals operation launch lasts 3 months, has three milestones: Establish a plant delivery and logistics plan, Select, and install supply chain software and equipment, and develop and launch an employee training program.

The potential risks identified are:

- **Each delivery truck costs \$16,000 more than initially quoted.** Your team estimates a 50% chance this risk will occur. If it does, Office Green would pay \$32,000 more than expected for their two delivery trucks.
- **A vendor charges a higher rate than expected.** Your team determines a 20%-25% chance this risk will occur. The budget impact would be approximately \$17,000.
- **A vendor loses a product shipment.** Your team estimates only a 5% chance this risk will occur. A lost shipment would cost over \$25,000.
- **Your employee trainer gets sick and misses a week of training.** Your team estimates a 10%-20% chance this risk will occur.
- **You cannot hire employees in time to train them before launch.** Your team estimates a 20%-30% chance this risk will occur, and it could delay the project by over a month.
- **More than 50% of employees quit after a difficult training process, leaving the company short staffed.** Your team estimates only a 5% chance this risk will occur.

**RISK TYPE ONE: Going over the project budget**

| Scenario  | Risk to project (L/M/H) | Mitigation Plan   |
|---|-------------------------|---|
| A vendor loses a product shipment.                            | L                       | CONTROL: Put in place a good tracking system, communicate constantly with the vendor. |
| A vendor charges a higher rate than expected.                 | M                       | REDUCE: Create a budget buffer  |
| Each delivery truck costs \$16,000 more than initially quoted | H                       | REDUCE: Due to the 50% probability a budget buffer will be required in this case.     |

#### RISK TYPE TWO: Falling behind the training schedule

| Scenario   | Risk to project (L/M/H) | Mitigation Plan  |
|--|-------------------------|--|
| Your employee trainer gets sick and misses a week of training.   | L                       | REDUCE: Have a backup in place for the activities during trainer's sick leave.                                   |
| You cannot hire employees in time to train them before launch.   | M                       | TRANSFER: Define the profile of the employees for this project and have HR start the recruitment process sooner. |
| More than 50% of employees quit after a difficult training process, leaving the company short-staffed. | H                       | REDUCE: Make the training program more easily digestible and interactive.  |

## Appendix:

#### Probability chart:

| Probability |             |                              |
|-------------|-------------|------------------------------|
|             | Qualitative | Quantitative (if measurable) |

|               |                                    |  |
|---------------|------------------------------------|--|
| <b>Low</b>    | Very low chance of risk occurring. | Less than <10% chance of risk occurring. |
| <b>Medium</b> | Medium chance of risk occurring.   | 10%-49% chance of risk occurring.        |
| <b>High</b>   | High chance of risk occurring.     | 50%-100% chance of risk occurring.       |

#### Impact chart:

| <b>Types of Impact</b> | <b>Low</b>  | <b>Medium</b>   | <b>High</b>  |
|------------------------|---|---|--|
| <b>Financial</b>       | Low financial impact, costing the company \$0-\$14,000                        | Medium financial impact, costing the company \$15,000-\$29,000                          | High financial impact, costing the company \$30,000 or more                |
| <b>Operational</b>     | Low impact to project operations, causing delays of a few days to a few weeks | Medium impact to project operations, with potential to delay project by a month or more | High impact to project operations, with potential to cause project failure |
| <b>People</b>          | Low impact to employee attrition, with 5%+ of employees quitting              | Medium impact to employee attrition, with 25%+ of employees quitting                    | High impact to employee attrition, with 50%+ employees quitting            |

#### Probability and Impact Matrix:

| Inherent Risk |        |        |        |        |
|---------------|--------|--------|--------|--------|
|               |        | Impact |        |        |
|               |        | Low    | Medium | High   |
| Probability   | High   | Medium | High   | High   |
|               | Medium | Low    | Medium | High   |
|               | Low    | Low    | Low    | Medium |