Qualitative vs Quantitative Risk Assessment

In qualitative analysis the risk level is determined by using a matrix (impact and probability), each impact and likelihood are added in a matrix to make it easy to analyse (i.e., High, Medium and low). It usually done by the trained people or at the early stages of the businesses. Risk analysis usually happens on the current data available and can be very quick. Since its usually done on the live data, assumptions can be inaccurate and it’s difficult to determine any cost benefits if required due to limited data.

In quantitative analysis a mathematical approach is used to analyse the risks. It can involve history of the data and probability of a risk from the data. Its mostly used in terms of time and cost. It can use large amounts of data over the time to increase the accuracy. However the analysis tools are complicated and requires a lot of practice and expertise to be used. Result produced are only in mathematical format (i.e., number, percentage etc). It sill requires human intervention to analyse the results, which can be costly.

Most of the organizations uses the combination of qualitative and quantitative analysis to get the best possible results.

https://www.researchgate.net/publication/348563840\_A\_COMPARISON\_OF\_QUALITATIVE\_AND\_QUANTITATIVE\_RISK\_ANALYSIS\_AND\_ASSESSMENTS\_-\_PROJECT\_RISK\_MANAGEMENT