****

|  |  |  |
| --- | --- | --- |
| Operations & Training Risk Management Plan | |  |
| **Author:** Project Manager  **Status:** Draft / Final | **Created:** Feb 01  **Updated:** Feb 06 |  |

# Objective

The objective of this document is proactively to outline the measured risks during the project lifecycle, and appropriate mitigation plans for these risks.

Executive Summary

In order to provide a top-notch client experience and minimize potential revenue loss due to a lack of an effective operations plan and sufficient knowledge of new services, our strategy is to provide the finest possible customer service. Initial estimates place the project's duration at six months, during which three significant milestones will be reached. Creating a plant delivery and logistics plan, choosing and installing supply chain software, and creating and launching a staff training program are the first three steps. The project's primary risks include the following:

1. Going over the project **budget**
2. Falling behind the training **schedule**

See below for more detailed information:

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

|  |  |  |
| --- | --- | --- |
| **Scenario** | **Risk to project (L/M/H)** | **Mitigation Plan** |
| **A product vendor loses a product shipment.** | **LOW** | REDUCE OR CONTROL: to monitor the situation and research alternative sources for shipment. |
| **A product vendor charges a higher rate than expected.** | **MEDIUM** | AVOID: make additional searches and use the services of several vendors instead of one. |
| **Each delivery truck costs $16,000 more than initially quoted.** | **HIGH** | AVOID: if this issue happens, Office Green can use cargo services. Savings from buying trucks, drivers' wages and vehicle maintenance costs can be used to pay for cargo services for a long term. |

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

|  |  |  |
| --- | --- | --- |
| **Scenario** | **Risk to project (L/M/H)** | **Mitigation Plan** |
| **Your Training Manager gets sick and misses a week of training.** | **LOW** | ACCEPT: it is easy to compensate for a week. The manager may add additional hours to training sessions. |
| **You cannot hire enough employees in time to train them before launch.** | **MEDIUM** | TRANSFER: by using services of HR consulting companies. |
| **More than 50% of employees quit after a difficult training process, leaving the company short-staffed.** | **MEDIUM** | REDUCE OR CONTROL: by taking surveys from the participants each week in order to monitor training effectiveness. |

Appendix:

**Probability chart:**

|  |  |  |
| --- | --- | --- |
| **Probability** | | |
|  | **Qualitative** | **Quantitative (if measurable)** |
| **Low** | Very low chance of risk occurring. | Less than <10% chance of risk occurring. |
|
| **Medium** | Medium chance of risk occurring. | 10%-49% chance of risk occurring. |
| **High** | High chance of risk occurring. | 50%-100% chance of risk occurring. |
|

**Impact chart:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Types of Impact** | **Low** | **Medium** | **High** |
| **Financial** | 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 |
| **Operational** | 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 |
| **People** | 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 |