**Que:**

A large construction company engaged in real estate construction business

decided to develop ERP through Astha Softech. The output of system

will be cost sheets detailing the relevant information for contracting,

budgeting, progress monitoring and bill payment. Astha Softech team

has no domain knowledge. As a project manager, you have been asked

to suggest risk management strategy after identifying the risk.

**Ans:**

As a project manager, it is important to identify and manage risks in order to ensure the successful development and implementation of the ERP system. Here is a suggested risk management strategy for the construction company in this scenario:

1. Risk Identification:

- Conduct a thorough analysis of the project requirements, goals, and stakeholders' expectations.

- Collaborate with key stakeholders, including the construction company's management, employees, and Astha softech team, to identify potential risks and challenges specific to the project.

- Consider risks related to technology, project management, resource availability, budget constraints, and potential legal or regulatory issues.

2. Risk Assessment:

- Evaluate the identified risks based on their likelihood of occurrence and potential impact on the project's success.

- Prioritize risks based on their severity and the potential damage they can cause.

- Consider both internal and external factors that may influence the risks.

3. Risk Mitigation:

- Develop a risk mitigation plan that outlines specific actions to minimize or eliminate identified risks.

- Allocate resources, such as time, budget, and personnel, to address and mitigate risks effectively.

- Establish contingency plans and alternative strategies to minimize the impact of high-risk events if they occur.

4. Risk Monitoring and Control:

- Regularly monitor and evaluate the progress of the project to identify new risks or changes in existing risks.

- Implement a robust communication and reporting mechanism to ensure that risks are promptly reported, tracked, and managed.

- Conduct periodic reviews and audits to assess the effectiveness of risk mitigation strategies and make necessary adjustments.

5. Stakeholder Engagement:

- Engage and communicate with stakeholders regularly to keep them informed about the project's progress, risks, and mitigation efforts.

- Involve key stakeholders in decision-making processes related to risk management.

- Foster a culture of proactive risk management by encouraging stakeholders to report potential risks and suggest improvement ideas.

6. Knowledge Transfer and Training:

- Facilitate knowledge transfer between the construction company's domain experts and the Astha softech team to ensure a better understanding of the industry-specific requirements.

- Arrange for domain-specific training sessions for the Astha softech team to enhance their knowledge and expertise in real estate construction processes.

- Encourage continuous learning and knowledge sharing among the project team members.

7. Documentation and Lessons Learned:

- Maintain a comprehensive record of identified risks, mitigation strategies, and outcomes.

- Document lessons learned throughout the project, including successes, failures, and best practices.

- Conduct post-project reviews to analyze the effectiveness of the risk management strategy and identify areas for improvement in future projects.

By following this risk management strategy, the construction company can mitigate potential risks effectively and increase the chances of successful ERP system development and implementation.