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| Risk Management Strategy  Online Learning Platform | Prince2  Author:  Owner:  Client: Jarl Tuxen  Version: |

# Risk Management Strategy History

## Revision History

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| version | Revision date | Implemented by | Reason |
| 1.0.0 | 03-03-2016 | Åsa Wegelius | First draft |
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## Approvals

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## Distribution

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# Table of Contents

Table of Contents

[1. Risk Management Strategy History 1](#_Toc444082963)

[1.2 Revision History 1](#_Toc444082964)

[1.3 Approvals 1](#_Toc444082965)

[1.4 Distribution 1](#_Toc444082966)

[2. Table of Contents 2](#_Toc444082967)

[1. Introduction 3](#_Toc444082968)

[2. Risk Management Procedure 3](#_Toc444082969)

[3. Tools and Techniques 3](#_Toc444082970)

[4. Records 3](#_Toc444082971)

[5. Reporting 3](#_Toc444082972)

[6. Timing of Risk Management activities 3](#_Toc444082973)

[7. Roles and Responsibilities 3](#_Toc444082974)

[8. Scales 3](#_Toc444082975)

[9. Proximity 3](#_Toc444082976)

[10. Risk Categories 3](#_Toc444082977)

[11. Risk Response Categories 3](#_Toc444082978)

[12. Early Warning Indicators 3](#_Toc444082979)

[13. Risk Tolerance 3](#_Toc444082980)

[14. Risk Budget 3](#_Toc444082981)

# Introduction

[The purpose, objectives, scope and responsibilities for risk management in

the Project.]

# Risk Management Procedure

[Any procedures you use for managing risk in the project are recorded in this

section, such as how people should report new risks.]

# Tools and Techniques

[There may be particular techniques that you intend to use in the different

parts of risk management, such as the Ishikawa diagram – explained later in

this chapter – to help identify risks. But tools may include computerized risk

management tools or risk analysis questionnaires.]

# Records

[This sets down how risks will be recorded. You normally use the Risk Register for risks to be formally managed, and the Daily Log for those to be informally managed.]

# Reporting

[You need to think through and get agreement on risk reporting requirements. Part of your risk reporting might be the regular circulation of the p-i grid (probability–impact). The grid can be really helpful because it provides a visual representation of where risks are, and it can also be used to show changes since the last reporting point.]

# Timing of Risk Management activities

[This is a sensible section, but the manual is rather limited in its explanation of the heading. It talks about risk management activity at an End Stage Assessment (the Project Board’s review of the project at the end of each

management stage). Now while the board must check over the risk position at an ESA, the members are hardly likely to be getting up to that much risk management activity in just one part of a 40-minute meeting! What is much more significant on timing is how often risk will be reviewed *during* stages. For example, in a higher-risk project, it may be that the Project Manager should go through a formal review of all risk every two weeks and do that together with the risk specialist who’s been appointed to the project.]

# Roles and Responsibilities

[This refers to who is to do the various bits of risk management. The previous comment on timing gives an example. Risk will be regularly reviewed by the Project Manager and the appointed risk management specialist on this high-risk project.]

# Scales

[Different projects have different scales for things like impact. A £10,000-risk impact is usually going to be very much less significant on a project with a £2 million budget than one with an £11,000 budget.]

# Proximity

[Proximity is how soon a risk can happen.]

# Risk Categories

[Categories can be useful to indicate who should have responsibility for different risks and who else may need to be informed of them.Categories:

* Strategic
* Commercial
* Economic
* Financial
* Market
* Legal and regulatory
* Organisational/management
* Human factors
* Political
* Environmental
* Technical
* Operational
* Infrastructure]

# Risk Response Categories

[Avoid, Share, Reduce, Accept, Fallback, Transfer, Exploit, Enhance]

# Early Warning Indicators

[ For example percentage of approvals accomplished, number of issues being raised and number of defects being captured in quality inspections.]

# Risk Tolerance

[A tolerance is a statement of authority limits, plus and minus. It fits particularly well with probability and impact and the p-i grid. If a particular threat becomes more dangerous and enters the high score zone on the grid, the fact must be reported immediately. Or, on the minus side, if it’s found to be less dangerous and drops out of that zone, the fact must also be reported immediately. But some types of risk may need to be reported straight away if they start to materialize and there’s no flexibility at all. You set down these factors in this Risk Tolerance section.]

# Risk Budget

[Decisions need to be made on whether to have a separate budget, and if so how it’s to be handled. The next section of this chapter examines the options.]