List of 130 Project Threats

(posted by Anna Mar, March 11, 2013)

Project risk is one of those exciting topics that everyone has an opinion about.

Ask executives, functional managers, project managers or engineers about project risk — you'll get a laundry list of complaints.

Lack of executive and stakeholder commitment usually tops the list. This is often followed by bad requirements, constant change, bad project managers and bad resources. In other words, risk identification tends to bring out plenty of negative emotions and finger pointing.

All this misses the true value of project risk management. Any good project has plenty of risk. After all, the nature of business is taking risks.

The risk free project achieves exactly nothing. You don't build businesses and great public institutions by hiding under a rock.

Risk management is about maximizing your chances of project success by identifying risks early on and planning how to manage them. The following examples of risks will get you started down the path of risk identification.

Executive Support

1. Executives fail to support project

The project team may lack the authority to achieve project objectives. In such cases, executive management support is fundamental to project success. When this doesn't materialize the project fails.

2. Executives become disengaged with project

Executive management disregards project communications and meetings.

3. Conflict between executive stakeholders disrupts project

Members of executive management are combative to the project or there is a disagreement over project issues at the executive level.

4. Executive turnover disrupts project

A key executive leaves the company, the resulting disruption becomes a project issue.

Scope

5. Scope is ill defined

The general risk of an error or omission in scope definition.

6. Scope creep inflates scope

Uncontrolled changes and continuous growth of scope.

7. Gold plating inflates scope

The project team add their own product features that aren't in requirements or change requests.

8. Estimates are inaccurate

Inaccurate estimates is a common project risk.

9. Dependencies are inaccurate

Dependencies dramatically impact the project schedule and costs.

10. Activities are missing from scope

Required activities are missing from scope definition.

Cost Management

11. Cost forecasts are inaccurate

Inaccurate cost estimates and forecasts.

12. Exchange rate variability

When costs are incurred in foreign currencies exchange rates can have a dramatic impact.

Change Management

13. Change management overload

A large number of change requests dramatically raises the complexity of the project and distracts key resources.

14. Stakeholder conflict over proposed changes

Change requests may be the source of stakeholder conflict.

15. Perceptions that a project failed because of changes

Large numbers of high priority change requests may lead to the perception that the project has failed. When the schedule and budget are continually extended — stakeholders may feel the project missed its original targets.

16. Lack of a change management system

Identify any lack of critical tools as a risk.

17. Lack of a change management process

Change management at the organizational or departmental level is critical to project success. Otherwise, the project will have limited visibility into changes that impact the project.

18. Lack of a change control board

A change control board is essential to managing change for large projects.

19. Inaccurate change priorities

When non-essential changes are prioritized impacting critical schedules.

20. Low quality of change requests

Change requests that are low quality (e.g. ambiguous).

21. Change request conflicts with requirements

Change requests that make no sense in the context of the requirements.

Stakeholders

22. Stakeholders become disengaged

When stakeholders ignore project communications.

23. Stakeholders have inaccurate expectations

Stakeholders develop inaccurate expectations (believe that the project will achieve something not in the requirements, plan, etc).

24. Stakeholder turnover

Stakeholder turnover can lead to project disruptions.

25. Stakeholders fail to support project

When stakeholders have a negative attitude towards the project and wish to see it fail.

26. Stakeholder conflict

Disagreement between stakeholders over project issues.

27. Process inputs are low quality

Inputs from stakeholders that are low quality (e.g. business case, requirements, change requests).

Communication

28. Project team misunderstand requirements

When requirements are misinterpreted by the project team a gap develops between expectations, requirements and work packages.

29. Communication overhead

When key project resources spend a high percentage of their time engaging stakeholders on project issues and change requests their work may fall behind.

30. Under communication

Communication is a challenge that's not to be underestimated. You may need to communicate the same idea many times in different ways before people remember it.

31. Users have inaccurate expectations

The risk that users believe the project is building an apple when you're really building an orange (i.e. users don't understand the product that's coming their way).

32. Impacted individuals aren't kept informed

A stakeholder is missing in your communication plan. Anyone who isn't informed but is impacted has an excellent reason to throw up project roadblocks. For example, if you build a system but fail to consult the operations group that will be responsible for support.

Resources & Team

33. Resource shortfalls

Inability to secure sufficient resources for the project.

34. Learning curves lead to delays and cost overrun

When your project team need to acquire new skills for the project there's a risk that productivity will be low.

35. Training isn't available

Quality training for certain skills can be difficult to secure.

36. Training is inadequate

Training is often a poor substitute for professional experience. Projects shouldn't assume that resources will be fully productive in a new skill.

37. Resources are inexperienced

Resources who are just out of school or who are new to your industry or profession tend to make more mistakes and be less productive.

38. Resource performance issues

Resources who perform below expectations.

39. Team members with negative attitudes towards the project

Resources who are negative towards the project may actively or passively sabotage project efforts.

40. Resource turnover

Resource turnover leads to delays and cost overrun.

41. Low team motivation

Your team lacks motivation. This is a particularly common risk for

long running projects.

42. Lack of commitment from functional managers

In a matrix organization your team may report to functional managers. These functional managers are important stakeholders whose support is critical.

Architecture

43. Architecture fails to pass governance processes

Plan for any architectural or technology governance processes that the project may need to pass.

44. Architecture lacks flexibility

The architecture is incapable of supporting change requests and needs to be reworked.

45. Architecture is not fit for purpose

The architecture is low quality.

46. Architecture is infeasible

The architecture is impossible to implement, excessively costly or doesn't support the requirements.

Design

47. Design is infeasible

The design isn't possible, is excessively costly or doesn't support the requirements.

48. Design lacks flexibility

A poor design makes change requests difficult and costly.

49. Design is not fit for purpose

The design is low quality.

50. Design fails peer review

It's a good idea to have peers or architectural experts review your designs.

Technical

51. Technology components aren't fit for purpose

Technology components are low quality.

52. Technology components aren't scalable

Components that can't be scaled to meet performance demands.

53. Technology components aren't interoperable

Components that lack standard interfaces.

54. Technology components aren't compliant with standards and best practices

Non-standard components that violate best practices.

55. Technology components have security vulnerabilities

Security vulnerabilities are key technology risks.

56. Technology components are over-engineered

A component that's bloated with unneeded functionality and design features.

57. Technology components lack stability

Components that crash.

58. Technology components aren't extensible

Components that are difficult to extend with new capabilities.

59. Technology components aren't reliable

Components that fail after a short time.

60. Information security incidents

The risk of a a security incident during the project (e.g. information is

leaked).

61. System outages

Critical systems such as your test environments go down.

62. Legacy components lack documentation

Integration with undocumented legacy components is a high risk activity.

63. Legacy components are out of support

Integration with legacy components that are no longer in support.

64. Components or products aren't maintainable

Technology components, tools or platforms that are difficult to maintain (e.g. lacking documentation, rare skills, complex or experimental).

65. Components or products can't be operationalized

Technology operations may have criteria for operationalization of new systems that need to be met.

66. Project management tool problems & issues

Technical problems with the project management tools themselves.

Integration

67. Delays to required infrastructure

Delays to infrastructure such as hardware or software.

68. Failure to integrate with business processes

The risk that your product will fail to fit into the existing business.

69. Failure to integrate with systems

The risk that your product will fail to integrate with existing systems.

70. Integration testing environments aren't available

The risk that environments won't be available to test integration.

71. Failure to integration with the organization

The risk that your project fails to integrate with the organization. This happens when the project is focused on delivering something specific and fails to look at the organization as a whole. For example, you deliver a sales system but your organization doesn't have a sales team.

72. Failure to integrate components

The risk that product components will fail to integrate with each other. This can represent a significant risk when you've outsourced work to a large number of vendors.

73. Project disrupts operations

The last thing you want is for your project to disrupt business operations and damage the firm's financial results. Think about risks beyond project failure.

74. Project disrupts sales

The risk that the project disrupts sales effectiveness.

75. Project disrupts compliance

The risk that the project disrupts compliance processes such as audits and reporting.

Requirements

76. Requirements fail to align with strategy

Your requirements conflict with the firm's strategy. If you sense that this is the case, list it as a risk.

77. Requirements fail to align with business processes

The requirements make no sense in the context of the business.

78. Requirements fail to align with systems

The requirements fail to align with other systems (e.g. they duplicate functionality).

79. Requirements have compliance issues

If you have any doubt that requirements comply with the law list it as a risk.

80. Requirements are ambiguous

Requirements are unclear and open to interpretation.

81. Requirements are low quality

Requirements aren't fit for purpose.

82. Requirements are incomplete

You can spot obvious holes in the requirements.

Decisions & Issue Resolution

83. Decision delays impact project

Establish guidelines for decision turnaround time. Identify the risk that guidelines will be exceeded.

84. Decisions are ambiguous

Stakeholders may have a tendency to make decisions that are intentionally ambiguous (a responsibility avoidance technique). This can be identified as a risk and managed.

85. Decisions are low quality

Decisions aren't fit for purpose.

86. Decisions are incomplete

Issue resolutions that don't address the issue or create more issues.

Procurement

87. No response to RFP

The risk that there is limited response to an RFP. This occurs when the RFP terms are unacceptable to vendors or if your firm has a bad reputation amongst vendors.

88. Low quality responses to RFP

Half hearted responses to your RFP that are unusable.

89. Failure to negotiation a reasonable price for contracts

Inability to negotiate a reasonable price for contracts. This occurs when the requirements or contract terms make vendors nervous.

90. Unacceptable contract terms

Inability to negotiate acceptable contract terms.

91. Conflict with vendor leads to project issues

The relationship with vendor turns to conflict and project issues mount.

92. Conflict between vendors leads to project issues

Your vendors develop conflict with each other and cooperation breaks down.

93. Vendors start late

The risk of a late start.

94. Vendor components fail to meet requirements

A vendor misunderstands requirements or delivers components that are completely off the mark.

95. Vendor components are low quality

Vendor components aren't fit for purpose.

96. Infrastructure is low quality

Your infrastructure fails or is not fit for purpose.

97. Service quality is low

Services you procure such as consulting are not fit for purpose.

98. Vendor components introduce third party liability

Vendor components introduce liability (e.g. they violate patents).

99. Loss of intellectual property

Vendors spy on you.

Authority

100. Project team lack authority to complete work

If you lack specific authorities required to deliver the project list this as a risk.

101. Authority is unclear

It's unclear who has the authority to accomplish a project objective.

Approvals & Red Tape

102. Delays to stakeholder approvals impact the project

The risk that approval deadlines will be exceeded.

103. Delays to financial approvals impact the project

The risk of delays to financial approvals and processes to release funds.

104. Delays to procurement processes impact the project

Many organizations have specific procurement processes that must be followed. These processes can be time consuming and highly variable. Document the risk that procurement process will exceed deadlines.

105. Delays to recruiting processes impact the project

If your project involves recruiting resources, this will typically take many months and is highly variable.

106. Delays to training impact the project

If your training budget requires separate approvals (e.g. from functional managers or HR) document the risk that this will be slow.

Organizational

107. The project fails to match the organization's culture

A culture fit issue between your product and the organization. If the organization's culture calls for employees to bring their own mobile devices to work (BYOD) and you build a user interface that only works on a specific device.

108. An organizational restructuring throws the project into chaos

If your project has a large footprint it may be extremely sensitive to

organizational changes.

109. A merger or acquisition disrupts the project

Mergers & acquisitions may represent significant organizational changes.

External

110. Legal & regulatory change impacts project

If your project spans areas that are compliance-sensitive you may want to list regulatory change as a risk.

111. Force Majeure (e.g. act of nature) impacts project

Major disruptions such as acts of nature.

112. Market forces impact project

Market changes impact project (e.g. a market crash).

113. Technical change impacts project

A technology innovation changes your industry and impacts the project.

114. Business change impacts project

A business innovation changes your industry and impacts the project.

Project Management

115. Failure to follow methodology

If your organization asks you to streamline your project management methodology, that can be documented as a risk.

116. Lack of management or control

A lack of project management should be documented as a risk. For example, if resource constraints cause the project to skip certain project management best practices.

117. Errors in key project management processes

Errors in project management such as schedule errors.

Secondary Risks

118. Counterparty risk

The risk you get back when you transfer a risk.

User Acceptance

119. Users reject the prototype

One of the key methods of improving user acceptance is to get regular prototypes in front of users. There's always a risk that these prototypes will be rejected (require significant rework).

120. User interface doesn't allow users to complete tasks

The risk that the user interface doesn't allow users to complete end-to-end tasks.

121. User interface is low quality

The user interface is buggy, slow or difficult to use.

122. User interface isn't accessible

In many jurisdictions, user interfaces must be accessible (e.g. employment or consumer law). Many organizational cultures require accessible user interfaces.

123. Project reduces business productivity

Users identify your product(s) as reducing their productivity.

124. Project reduces innovation

Users identify your product(s) as a roadblock to innovation.

125. Product disrupts business metrics (measurements of objectives)

Your product launch causes business KPIs to worsen. For example, if

you launch a new ERP and Supply Chain Cycle Times jump.

126. Users reject the product

The general risk that users will reject your product.

Commercial

The following risks may apply to new product development projects.

127. Product doesn't sell

Demand risk for the new product.

128. Product incurs legal liability

The product has quality issues that harm your customers.

129. Product negatively affects brand

The product has quality issues that damage your brand.

130. Product negatively affects reputation

The product generates negative publicity and/or damages customer relationships.