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**Risk Management for Software Development Summary**

**Important Points from Article**

* “The loss associated with an undesired event is referred to as the risk impact.” [261]
* “In cases where loss can be quantified, the product of (probability \* risk impact) is referred to as the risk exposure.” [261]
* “A constraint is an external condition imposed by forces over which project management has no control.” [261]
* “An estimate is a prediction of expected outcomes under certain circumstances” [261]
* “Targets are set by the customer and by project management and specified in the project plan” [261-262]
* “Risks are thus viewed as potential problems that, should they occur, will impact project targets.” [262]
* “When a project is successful, it is not because there were no problems, but because the problems were overcome.” [262]
* “Generic risks are those risk factors common to all software projects.” [263]
* “Project-specific risks are potential problems inherent to a particular project.” [264]
* “A Risk Management Plan may contain both Action Plans and Contingency Plans. An action plan represents a decision to engage in a risk reduction activity that is to be conducted without further consideration…” [264]
* “A contingency plan is a risk reduction activity to be engaged in at some future time, should circumstances warrant…” [264]
* “A crisis is a ‘show-stopper;’ all available resources are focused on solving the problem until the crisis is resolved or the project is rescoped or terminated.” [264]
* “These last two process models (incremental development and design-to-cost/schedule) can often be combined with other process model alternatives.” [266]
* “Risk Assessment deals with determining the threats to a project, with particular emphasis placed on identifying, analyzing, and prioritizing major risk factors that might become problems” [266]
* “Customers and users, in addition to managers, lead engineers, and the development staff, need to be involved in the risk identification process.” [267]
* “Risk assessment should be a continuous, on-going activity, and both the total list and the prioritized, managed list will change as the project progress.” [268]
* “We must take care to distinguish risk transfer situations from those where we retain responsibility for the outcome and those where the transfer of risk results in a transfer of responsibility as well.” [269]
* “The reserve is used by the project manager to support implementation of risk management plans and to cover unforeseen eventualities (the unknown unkowns) which require resource expenditure. A similar procedure can be applied for schedule contingency.” [270]
* “In some organizations, Top-Ten lists are used at all levels, from the individual development team, to the subsystem manager, to the project manager, to the department manager, to the vice-president, to the customer/developer interface.” [272]
* “Accepting risk-oriented reporting indicates new corporate attitudes about risk management.” [274]

**Things I Didn't Agree With**

“Real risk management occurs when significant decision making, planning, resources, money and effort are expended to reduce the probabilities and/or impacts of identified risk factors.” [262]

I do not agree with this statement because I do not believe each of the items listed are needed. I believe only one is needed for each problem. Some problems cannot be solved with money, while others cannot be solved with purely effort. There are problems out there though that only require one or two of the items listed above and not all.

An instance at work I have is when I broke our app. The code I had pushed out made it so our web pages stopped working and we had no idea why. There was no way money would fix it. Instead we had to put an effort into figuring out why it was not working so we could fix the problem.

**Things I Did Not Understand**

I understood the entire article.