

Risk Glossary

Accept – to do nothing, managing the existence of an opportunity or threat as is

Ambiguity – when one person interprets a requirement statement to mean one thing, and a teammate reads it and understands something very different

Conceptual ambiguity – when a sentence can be interpreted in more than one way

Situational ambiguity – when more than one solution pathway or outcome can result from a project decision

Avoid – dealing with a threat by eliminating it completely

Competitor risks – the presence and activities of other businesses providing similar products or services as your company

Contingency reserves – money set aside to implement a planned risk response or to respond to risk events that happen; typically controlled by the project manager

Decoupling – handling complexity by separating what each system does into component functions and then individually dealing with each smaller component function

Economic risks – costs that affect both sides of your company's balance sheet, or circumstances that affect your profitability

Enhance – performing activities to increase the chances of an opportunity or the positive impact on your project if an opportunity does occur

Escalate – deferring to upper management to handle a risk outside the authority of the project manager

Exploit – taking actions related to an opportunity to increase the probability it will happen

Impact – the consequences to the project if a risk occurs

Issues – things that have already occurred on a project, and the impact being felt; issues are risks that have come to fruition

Management reserve – money set aside for unknown risks and issues that surface; addresses unforeseen work that's within the scope of the project and is typically controlled by the project sponsor

Methodology – the overall approach you'll follow to manage risks

Mitigate – doing things to reduce the probability of a threat occurring and/or reduce the impact on your project if it does occur

Opportunities – risks with positive impacts on a project

Probability – the chance that a risk will happen and create an impact on a project

Project-level risks – things that can have an immediate, notable impact on project outcomes

Reframing – collecting a broad set of opinions, including opinions from people who wouldn't normally be approached (like new customers or people with experience in different industries), to break down complexity

Regulatory risks – restrictions or legal boundaries for how your business conducts work or produces products

Risk appetite – defined by the Project Management Institute (PMI®) as the degree of uncertainty an organization or individual is willing to accept in anticipation of an award; in other words, what benefits you're willing to reach for, even though it involves some risk; also referred to as **risk tolerance**

Risk trigger – an event or circumstance that indicates a risk might be occurring or will occur soon

Risks – events that can have an impact on a project but have not yet occurred; the impacts can be positive, called **opportunities**, or negative, called **threats**

Share – a strategy used to give ownership of an opportunity to an expert party who's best able to capture the benefit of that opportunity

Snow-plowing tasks – in agile methodologies, when tasks are not completed during a sprint and are pushed out to future sprints to complete; akin to pushing snow with a plow, it builds up as you proceed and can create delays on your project

Sprint – a fixed period of time in agile methodologies, typically 2–12 weeks, where a series of deliverables, typically called functions, are produced

Task-level risks – events that would impact one or, at most, a few tasks in your project

Threats – risks with negative impacts on a project

Transfer – a strategy where you give a threat to someone else, but in an acceptable way to reduce risk

Unknown unknowns – a risk or issue that you don't expect, and how it might impact you is also unknown