ISYS 630 Project Management
Pie Pub Restaurant

Project Risk Management

Group 3

Team members

Aditya Purandare

Abeer Katiyal

Sneha Chandrashekaraiah

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1 INTRODUCTION

1.1 PURPOSE OF THE RISK MANAGEMENT PLAN

A risk event is something identified in advance that may or may not happen. Project risk management is the art and science of identifying, analyzing, and responding to risk throughout the life of a project and in the best interests of meeting project objectives. This Risk Management Plan defines how risks associated with the Pie Pub Restaurant franchise expansion project will be identified, analyzed, and managed. It outlines how risk management activities will be implemented, recorded, and monitored throughout the project and provides practices for recording and prioritizing risks.

The Risk Management Plan is created by the project manager in the planning phase and is monitored and updated throughout the project.

The intended audience of this document is the project team, project sponsor and stakeholders.

2 RISK MANAGEMENT PROCEDURE

2.1 PROCESS

The project manager working with the project team and project sponsors will ensure that risks are actively identified, analyzed, and managed throughout the life of the project. Risks will be identified as early as possible in the project so as to minimize their impact. The steps for accomplishing this are outlined in the following sections. The Project Manager, Sneha Chandrashekharaiah will serve as the Risk Manager for this project.

2.2 RISK IDENTIFICATION

Risk identification will involve the project team, appropriate stakeholders, and will be categorized based on external, internal, technical and unforeseeable factors. Careful attention will be given to the project scope, deliverables, WBS, PERT chart, assumptions, and other key project documents. The following techniques were employed to identify risks given below:

- Documentation Reviews
  - Charter, project scope, WBS and PERT chart
- Information-Gathering Techniques
  - Brainstorming with appropriate stakeholders
  - Interviewing with appropriate stakeholders
  - Root cause analysis
- Checklist Analysis
  - Prepared a checklist of probable risks based on interview outcomes
- Historical Data
  - Researched past risk management plans from within the organization

Based on the techniques, the top 10 risks for the project are:

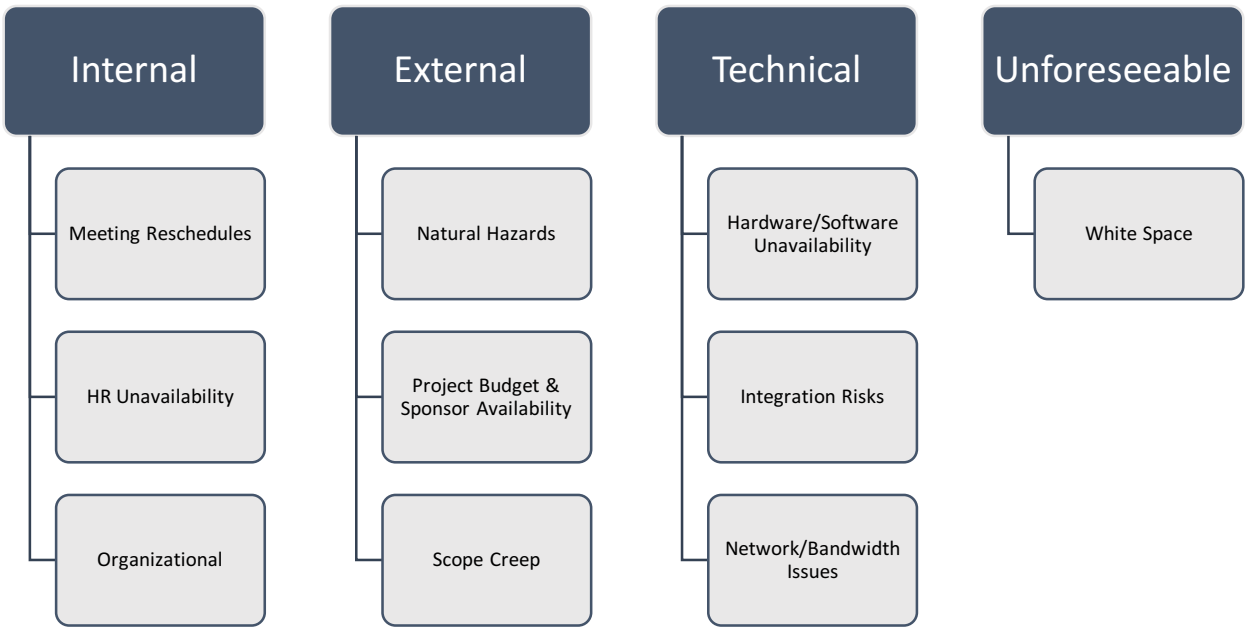
S.No	Category	Risk	Description
1	Internal	Management Meeting Reschedules	Due to busy schedules and frequent off shore visits, senior management executives maybe unavailable for critical meetings
2	Internal	Human resource unavailability	An employee may become unavailable due to illness or injury. Technical expertise maybe unavailable due to lack of high skilled resources.
3	Internal	Organizational structure	Communication between stakeholders can suffer due to intricate rules for communicating in the organization
4	External	Natural Calamity	Delay/damage caused by earthquakes, fire or hurricanes.
5	External	Scope Creep	As with most of the projects, scope creep may occur in the future
6	External	Project budget/ Sponsor availability	Project budget and cash flow from Project Sponsor's side can cause delay to the project
7	Technical	Hardware/Software unavailability	Since, only a limited number of vendors are available in the market that meet the demands of the project, timely availability of these may be an issue
8	Technical	Integration risks	As there are more than three big niche components of the project to be integrated on cloud, integration failure is a possibility
9	Technical	Insufficient Bandwidth/Network	Network plays a pivotal role in the successful implementation of the project and issues related to it are high risks
10	Unforeseeable	White space risks	These are the unplanned events that might occur to put the project in jeopardy

2.3 RISK ANALYSIS

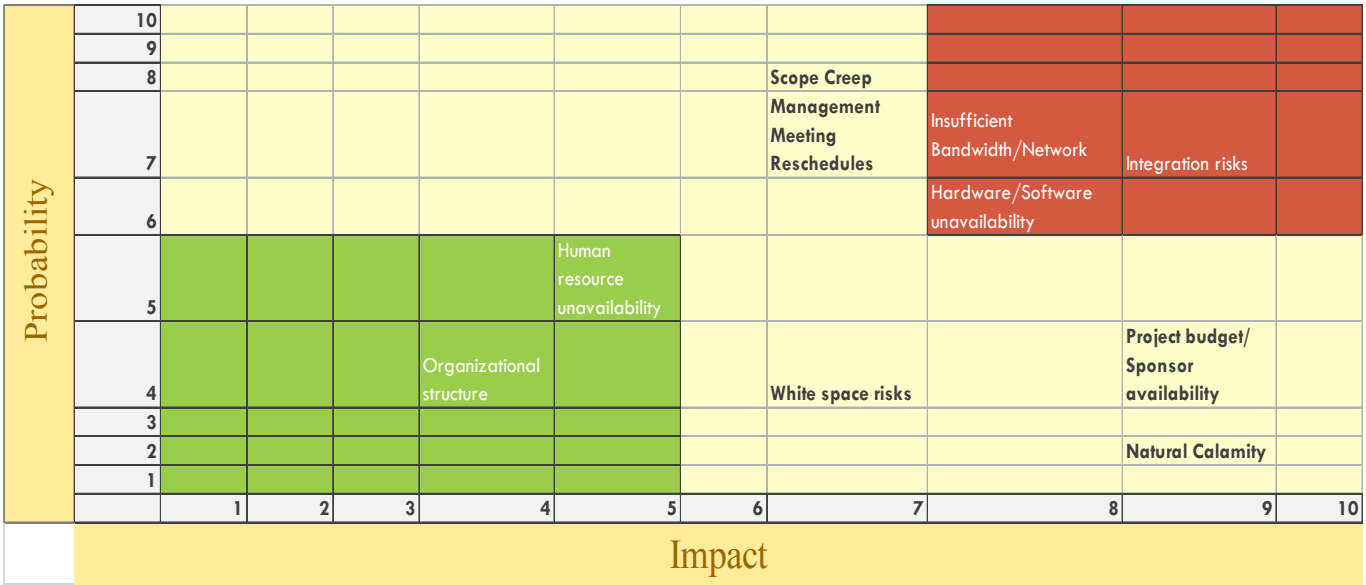
All risks identified are assessed to identify the range of possible project outcomes. Qualification will be used to determine which risks are the top risks to pursue and respond to and which risks can be ignored.

2.3.1 Qualitative Risk Analysis

Risk Breakdown Structure



Probability & Impact Matrix



Rating interpretation for Probability & Impact matrix

Scale for Probability										
Rating	1	2	3	4	5	6	7	8	9	10
Interpretation	Low		Medium		Medium-High		High		Fact	

2.4 RISK RESPONSE PLANNING

The major risks (those belonging to the Red & Yellow zones) will be assigned to a project team member for monitoring purposes to ensure that the risks don't escalate beyond the point of control. The following approaches are selected to address the above risks:

- **Avoid** – eliminate the threat by eliminating the cause
- **Accept** – Loss will be accepted and contingency plans will be executed
- **Transfer** – Make third party responsible for the risk (insurance or warranty)
- **Mitigate** – Identify methods to deal with the risk using proven technology, competent personnel or buying maintenance.

The following table provides detailed mitigation procedures for dealing with the top 10 risks stated above.

Category	**Risk**	**Description**	**Mitigation Procedures**
Internal	Management Meeting Reschedules	• Availability of all the right resources at the time of the meeting • Time constraints of resources	• Having the responsible head of the project only at the critical decision meeting • Coordinating meetings from different locations with technology • Preparing and sharing the minutes of the meeting with all resources of the team
Internal	Human resource unavailability	Technical expertise unavailable	• Have a shadow resource for critical functions • Distribute work so that no single point of failure happens • Always have buffer resources

Internal	Organizational structure	• Lack of responsible leaders • Uninformed staff	• Establish and publish the hierarchy to avoid confusion • Have people take responsibilities for their work
External	Natural Calamity	• Late delivery of hardware by the vendor • Employee issues • Holidays	• Prepare for environmental issues such as the weather • Preplan holidays and have schedules prepared for all the activities in the work breakdown structure
External	Scope Creep	• Many conflicting changes to the original scope • When scope creep may occur	• Have all requirements and change requests on official record. Also obtain sign-offs on all deliverables • Check scope regularly not to go over budget
External	Project budget, Sponsor availability issues	• Initial budget to actual money invested • Availability of money when required	• Make provisions for buffer budgeting for scope creep • Have realistic budgeting for each work block on the WBS
Technical	Hardware/Software unavailability	• Hardware malfunction • Updating softwares	• Check for market availability of software and hardware before making a decision • Check prototypes for integration of PoS and customized software • Make upgradable software
Technical	Integration failure	• Hardware integration • Software integration	• Check for compatibility of hardware and hardware • Check for software integration issues

			• Check for hardware components integration in a prototype model before bulk purchase
Technical	Insufficient Bandwidth/Network issues	• Router bandwidth • Network availability	• Have a router backup in case of failure • Internet connection compatibility • Have dedicated bandwidth for critical processes
Unforeseeable	White space risks	• Unidentified risks • Undefined expectations of stakeholders	• Have buffer resources • Have budget reserves for white space risks • Monitor the space for possible risk pop-ups.

3 RISK MANAGEMENT APPROVAL FORM

Project Name: Pie Pub Franchise Expansion

Approvals:

_____	_____
Project Manager Signature	**Sponsor or Originator Signature**
_____	_____
Project Manager Name	**Sponsor or Originator Name**
_____	_____
Date	**Date**