

File 20101125.1111: Risk analysis of Heathrow Terminal 5:

‘Implementation risks, which are generally easily foreseen, relate to suppliers, labour, and rework. The hazard rating is usually derived from “likelihood” multiplied by “impact”.’

...

‘Alongside these calculations quantitative risk analysis works by creating random activity durations, using the Monte Carlo technique, within agreed duration limits to map out the probability of finishing the project at certain times. For example the critical path calculation may be 20 days with a probability of 60 per cent, and 25 days with a probability of 20 per cent. A line graph of probability vs time gives a clear view of the probable completion on a particular date, with probability falling away on either side of that date in an inverted V.’

Source: [1, p. 2].

References

- [1] Ken Young. What could possibly go wrong? *The Register*, 23rd November 2010. URI: http://www.theregister.co.uk/2010/11/23/pm_risk_assessment/print.html retrieved on 23rd November 2010.