

# Risk Management Professional



## PMI-RMP PREPARATION COURSE

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/PMP TRICKS



## Lec-1 - content

- Introduction.
- Project Risk Management.
- Plan Risk Management.

# Requirements for the PMI-RMP® Exam

Category	College/University Education	Project Risk Management Education	Project Risk Management Experience
One	Four-year degree (Bachelor's degree or global equivalent)	30 contact hours or PDUs	3,000 hours within the last five consecutive years
Two	Secondary Diploma (High school diploma, associate's degree, or global equivalent)	40 contact hours or PDUs	4,500 hours within the last five consecutive years

- Application can be submitted online.
- Visit the website [www.pmi.org](http://www.pmi.org) for more details.
- Authorization mail is sent by PMI®.
- The exam must be written within one year of receiving the authorization mail.

## About the PMI-RMP® Exam

- Total number of Questions: 170, of which, 20 questions are test questions for future tests.
- Only 150 questions are scored.
- 1 point for every right question, and no penalty for wrong answers.
- Exam duration is 3.5 hours.

No. of Scored Questions	No. of Pretest (Unscored) Questions	Total Examination Questions
150	20	170

Allotted Examination Time
3.5 hours

# About the PMI-RMP® Exam

- Exam questions will cover all the five domains of Project Risk Management.

Project Risk Management Domains	Percentage of Questions
Domain 1 - Risk strategy and planning (5 tasks)	19-20%
Domain 2 - Stakeholder engagement (9 tasks)	19-20%
Domain 3 - Risk process facilitation (7 tasks)	25-28%
Domain 4 - Risk monitoring and reporting (7 tasks)	19-20%
Domain 5 - Perform specialized risk analyses (3 tasks)	14-16%
<b>Total</b>	<b>100%</b>

# Lecture 01 : Project Risk Management



**Project Risk  
Management**

# Lecture 01 : Project Risk Management

## Introduction -> What is a Risk?



Risk is an uncertain event or condition that if occurs, has a positive or negative effect on one or more project objectives such as scope, cost & quality.



Uncertain event  
or condition



Effect



Project objectives

# Lecture 01 : Project Risk Management

## Introduction -> Why Risk Management



A PM work should not focus on dealing with problems; it should focus on preventing them.



How would it feel to say, “No problem; we anticipated this, and we have a plan in place that will resolve it”.



Performing risk management helps prevent many problems & helps make other problems less likely



Failure of PM to asses project risks is a major cause of Project failure

# Lecture 01 : Project Risk Management

## Introduction -> What is a Risk? Cont..



If there is 100% chance of an event occurring, this would be an issue, not risk.



Risks with negative consequences are called threats.



Risks with positive consequences are called opportunities.



Yes, risk can be good! Stop thinking of risk as bad, & start thinking in terms of opportunities!

# Lecture 01 : Project Risk Management



## PMBOK Chapter 11 : Project Risk Management (Part 1)



# Lecture 01 : Project Risk Management

## Introduction – Risk Management Processes



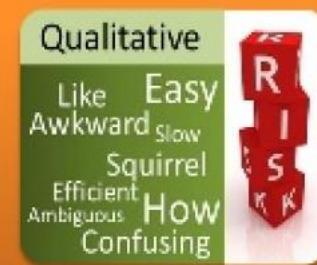
### 11.1 Plan Risk Management

- Define how to conduct risk management activities



### 11.2 Identify Risks

- Determine & document which risks may affect the project



### 11.3 Perform Qualitative Risk Analysis

- Prioritize risks by analyzing their probability & impact.

# Lecture 01 : Project Risk Management



## 11.4 Perform Quantitative Risk Analysis

- Numerically analyze the effect of identified risks.



## 11.5 Plan Risk Responses

- How to respond to enhance opportunities & to reduce threats



## 11.6 Control Risk

- Track risk, monitor residual risks, identify new risks, & evaluate effectiveness of risk planning.

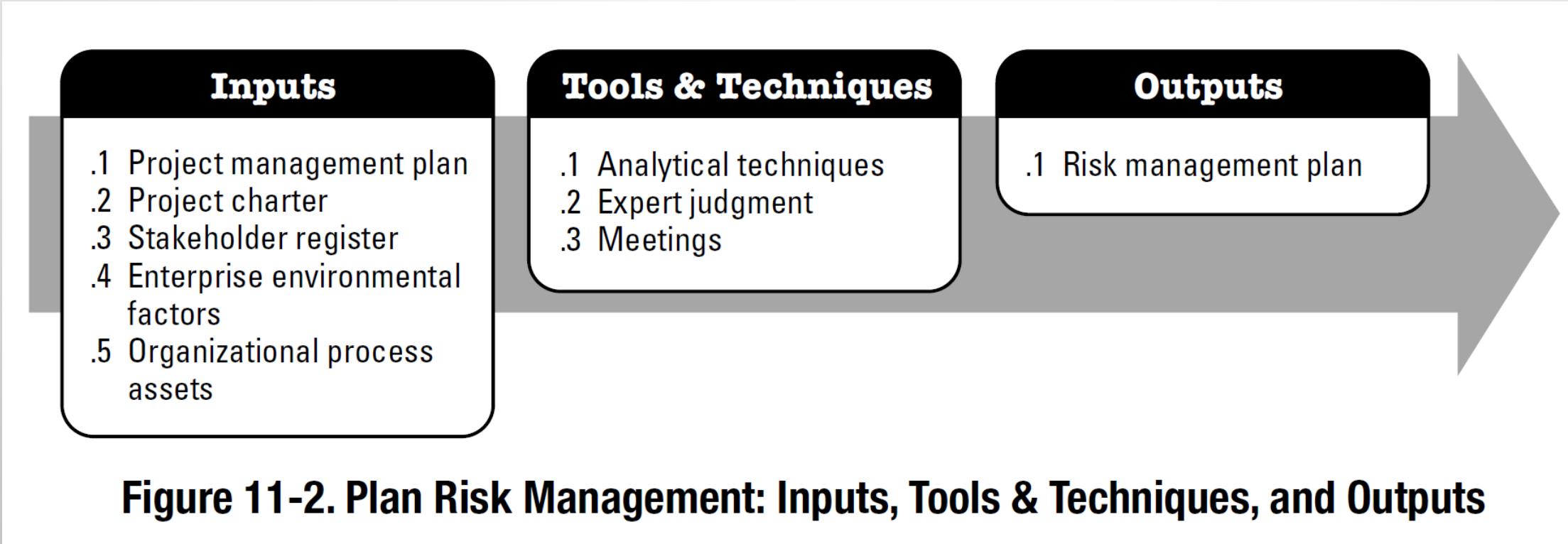
# Lecture 01 : Project Risk Management

## 01. Plan Risk Management



# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

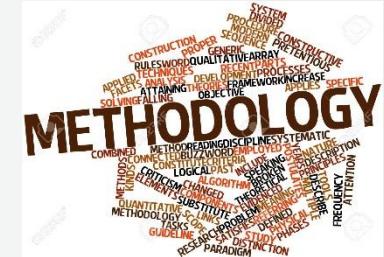


# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

Outputs ➤ Risk Management Plan:

- **Methodology:** Approaches, tools, and data sources that will be used.
- **Roles & responsibilities:** Who will do what.
- **Budget:** Estimated funds that will be needed.
- **Timing:** When and how often risk management processes will be done.



Activity	2014						2015	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Risk Plan								
Risks Identification								
Risk Assessment								
Response Plan								

# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

Outputs ➤ Risk Management Plan:

- Risk categories ( Risk Breakdown Structure) (RBS)
- ✓ Is a hierarchical framework of potential sources of risk to a project.
- ✓ Categorize the risks in Technical ,External ,Organizational, and management.

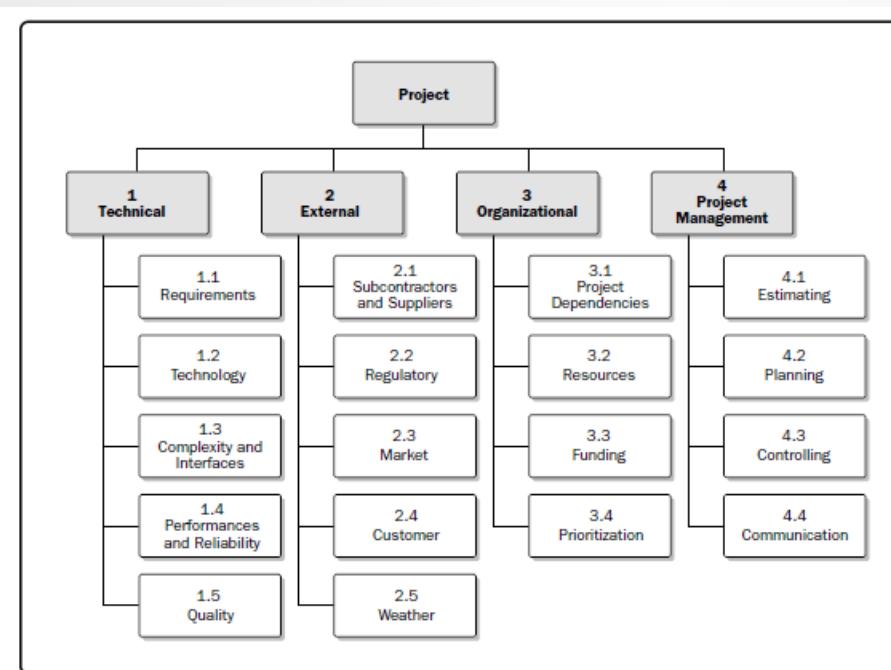


Figure 11-4. Example of a Risk Breakdown Structure (RBS)

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## 01. Plan Risk Management

### 11.1 Plan Risk Management->Output->Risk Management Plan



RMP includes following:

- Methodology (How?)
- Roles & Responsibilities (who?)
- Budgeting (Cost of Risk management)
- Timing (Schedule)
- Risk Categories (RBS)
- Probability & Impact
- Stakeholder Tolerances
- Reporting Format
- Tracking (Follow-up)

# Lecture 01 : Project Risk Management

Practice\_Standard\_Project  
\_Risk\_Management

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# Lecture 01 : Project Risk Management

## ➤ Stakeholder Risk Attitudes :

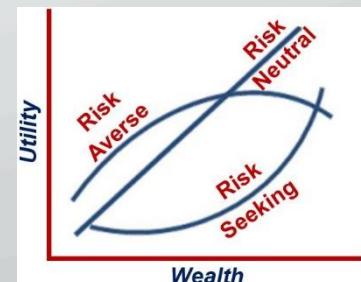
✓ **Risk seeker** : Stakeholders are risk seeking in nature.



✓ **Risk averse:** Stakeholders who does not take risks.



✓ **Risk neutral:** Stakeholders are neither risk averse nor risk seeking.



# Lecture 01 : Project Risk Management

## ➤ Stakeholder Risk Attitudes :

### ✓ Risk Tolerant:

- Your organization is very comfortable with ignoring risks, They don't care and never pay any attention to a risk until it becomes an issue



**Q-**Your organization is very comfortable with ignoring risks, They don't care and never pay any attention to a risk until it becomes an issue. What is the attitude of your Organization?

- A- Risk Seeker.
- B- Risk Tolerant.
- C- Risk Avers
- D- Risk Neutral.

ANSWERS



B

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# Lecture 01 : Project Risk Management

➤ The general criteria for success include:

## 1.5 Critical Success Factors for Project Risk Management



Figure 1-2. Critical Success Factors for Project Risk Management

# Lecture 01 : Project Risk Management

➤ The general criteria for success include:

- 1-Recognize the Value of Risk Management**
- 2- Individual Commitment/Responsibility**
- 3-Open and Honest Communication**
- 4- Organizational Commitment**
- 5- Risk Effort Scaled to Project**
- 6- Integration with Project Management**

# Lecture 01 : Project Risk Management

➤ The general criteria for success include:

## 1-Recognize the Value of Risk Management

- Project Risk Management should be **recognized** as a **valuable** discipline that provides a positive potential **return** on investment for **organizational management**, project **stakeholders** (both internal and external), **project management**, and **team members**.



## 2- Individual Commitment/Responsibility

- Risk management is everybody's responsibility.



# Lecture 01 : Project Risk Management

➤ The general criteria for success include:

## 3-Open and Honest Communication.

- Everyone should be involved in the Project Risk Management process.
- Any actions or attitudes that hinder communication about project risk reduce the effectiveness of Project Risk Management.



## 4- Organizational Commitment.

- Organizational commitment can only be established if risk management is aligned with the organization's goals and values.
- Project Risk Management may require a higher level of managerial support than other project management disciplines because handling some of the risks will require approval of or responses from others at levels above the project manager.

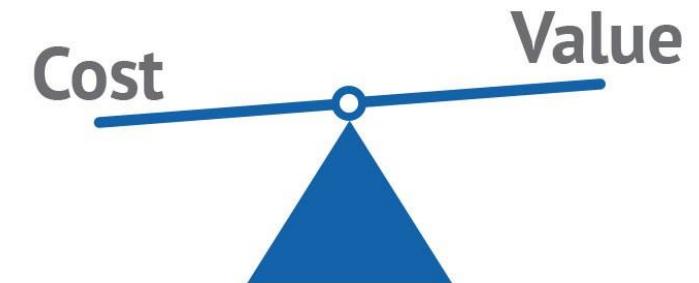


# Lecture 01 : Project Risk Management

➤ The general criteria for success include:

## 5- Risk Effort Scaled to Project.

- The cost of Project Risk Management should be appropriate to its potential value to the project and the organization.



## 6- Integration with Project Management

- Project Risk Management does not exist in a vacuum, isolated from other project management processes
- Successful Project Risk Management requires the correct execution of the other project management processes.



# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Purpose and Objectives of the Plan Risk Management Process

- Develop the overall risk management strategy for the project.
- Decide how the risk management processes will be executed.
- Integrate Project Risk Management with all other project management activities.



# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

- **NOTES**

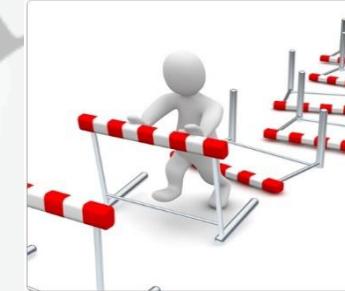
- To provide the greatest benefit, initial risk management planning should be carried out **early** in the overall planning of the project.
- Project management is a process of progressive elaboration, risk management activities need to be **repeated throughout** the project.
- The risk management plan should define the normal **frequency** for repeating the processes.
- Risk management planning should establish the type and level of risk detail to be addressed and provide a **template** of the risk register that will be used for recording risk-related information.
- The plan describes the **frequency** and scope of the various risk management meetings and reports required to carry out the corresponding Project Risk Management processes as well as the structure and content of such meetings and reports.

# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Critical Success Factors for the Plan Risk Management Process

**1- Identify and Address Barriers to Successful Project Risk Management**



**2- Involve Project Stakeholders in Project Risk Management.**



**3- Comply with the Organization's Objectives, Policies, and Practices**



# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Critical Success Factors for the Plan Risk Management Process

1- Identify and Address Barriers to Successful Project Risk Management



- Organization and Stakeholders didn't recognize the value / benefits of risk management.
- No clear definition for project objectives.
- Unavailability of OPA which will consume more time to be developed.
- Risk Plan isn't integrated in overall project plan.



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## 01. Plan Risk Management

### ➤ Critical Success Factors for the Plan Risk Management Process

2- Involve Project Stakeholders in Project Risk Management.



- To build on their skills and experience and to ensure understanding / commitment to project risk management



# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Critical Success Factors for the Plan Risk Management Process

3- Comply with the Organization's Objectives, Policies, and Practices



- The rules and guidelines defined in the risk management plan should be compatible with the culture of the organization, its capabilities from the point of view of people and facilities, and its values, goals, and objectives.



# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ VERY IMPORTANT QUESTIONS



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# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Very Important Questions



**Q1) You are a Project manager in Big construction Project you and your team Discussing the Critical Success Factors of the risk processes ,which of the following CSF of Plan risk management process?**

- A-Project should be compatible with capabilities of people and facilities.**
- B- Collect High Quality Data.**
- C- Emergent Identification.**
- D- Comprehensive Identification.**



# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Very Important Questions



- Q2) Which one of the following is, inputs to plan risk management process?**
- A- Project management plan, Risk register, project charter.**
  - B- Project management plane, project charter, stakeholder register, OPA and EEF.**
  - C- Project management plane, Risk register, stakeholder register, scope baseline.**
  - D- Communication management plane, Risk register, stakeholder register, OPA and EEF.**

**ANSWERS**

**B**

# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Very Important Questions



Q3) you are a Project manager and one of the project team members ask you about the critical success factors of project risk management. Which of the following is critical success factors of this process?

- A- Comprehensive Identification.
- B- Collect High Quality Data.
- C- Perform Iterative Qualitative Risk Analysis.
- D- Integrate the project risk management in project management and Risk Effort Scaled to Project.

A magnifying glass icon with the word ANSWERS inside it.



# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Very Important Questions



**Q4) you are a project manager for infrastructure Project. During identify risk process, the risk manager suggested to use tools and techniques which can categorize the risks in Internal, External, management, Technical and financial. What are the tools?**

- A- Risk Breakdown Structure.**
- B- System Dynamics.**
- C- AHP.**
- D- SWOT.**

A magnifying glass icon with the word ANSWERS inside it.



# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Very Important Questions



Q6) Your organization is very comfortable with ignoring risks; they do not care and never pay any attention to a risk until it becomes an issue. What is the attitude of your Organization?

- A- Risk Seeker.
- B- Risk Tolerant.
- C- Risk Avers
- D- Risk Neutral.

A magnifying glass icon with the word ANSWERS written in red inside the lens.

A stylized letter B.

# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Very Important Questions



Q7) your organization is very comfortable with ignoring risks, they do not care and never pay any attention to a risk until it becomes an issue. What is the attitude of your Organization?

- A- Risk Seeker.
- B- Risk Tolerant.
- C- Risk Avers
- D- Risk Neutral.

A magnifying glass icon with the word ANSWERS written in red inside the lens.

A stylized letter B.

# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Very Important Questions



Q8) your organization, they do not like to take any risks. What is the attitude of the organization?

- A- Risk neutral.
- B- Risk Avers.
- C- Risk tolerant.
- D- Risk Seeker.

ANSWERS

B

# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Very Important Questions



Q9) you are a Risk manager in your organization. Your organization searching for greater uncertainty in investments in exchange for anticipated higher returns.  
What is the attitude of your organization?

- A- Risk neutral.
- B- Risk tolerant.
- C- Risk seeker.
- D- Risk averse.

ANSWERS

C

# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Very Important Questions



**Q10) Which of the following options is the stakeholder risk attitude?**

- A- Risk seeker, Risk averse, Risk natural and Risk tolerant.**
- B- Risk register, Risk averse, Risk taker and Risk tolerant.**
- C- Risk taker, Risk threshold, Risk natural and Risk tolerant.**
- D- Risk taker, Risk analysis, Risk natural and Risk tolerant.**

**ANSWERS**

A magnifying glass is positioned over the word "ANSWERS". The magnifying glass has a black handle and a silver frame. The word "ANSWERS" is written in red capital letters inside the lens of the magnifying glass.

# Lecture 01 : Project Risk Management

## 01. Plan Risk Management

### ➤ Very Important Questions



**Q11) You are a project manager in your organization. You are discussing with your project team the objectives of the project risk management. What are the objectives of project Risk management?**

- A- Enhance the probability and impact of positive events, and Enhance the probability and impact of negative events in the project.**
- B- Enhance the probability and impact of positive events, and mitigate the probability and impact of negative events in the project.**
- C- Increase the probability and impact of positive events, and decrease the probability and impact of negative events in the project.**
- D- Exploit the probability and impact of positive events, and avoid the probability and impact of negative events in the project.**

A magnifying glass icon with the word ANSWERS inside it.

A stylized letter C logo.

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[www.pm-tricks.com](http://www.pm-tricks.com)

## ❖ Study Group in Facebook :-

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# ❖ My YouTube Channel :-

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