

# Risk Management Professional



## PMI-RMP PREPARATION COURSE

BY: SAYED MOHSEN, PMP, PMI-RMP, PMI-SP



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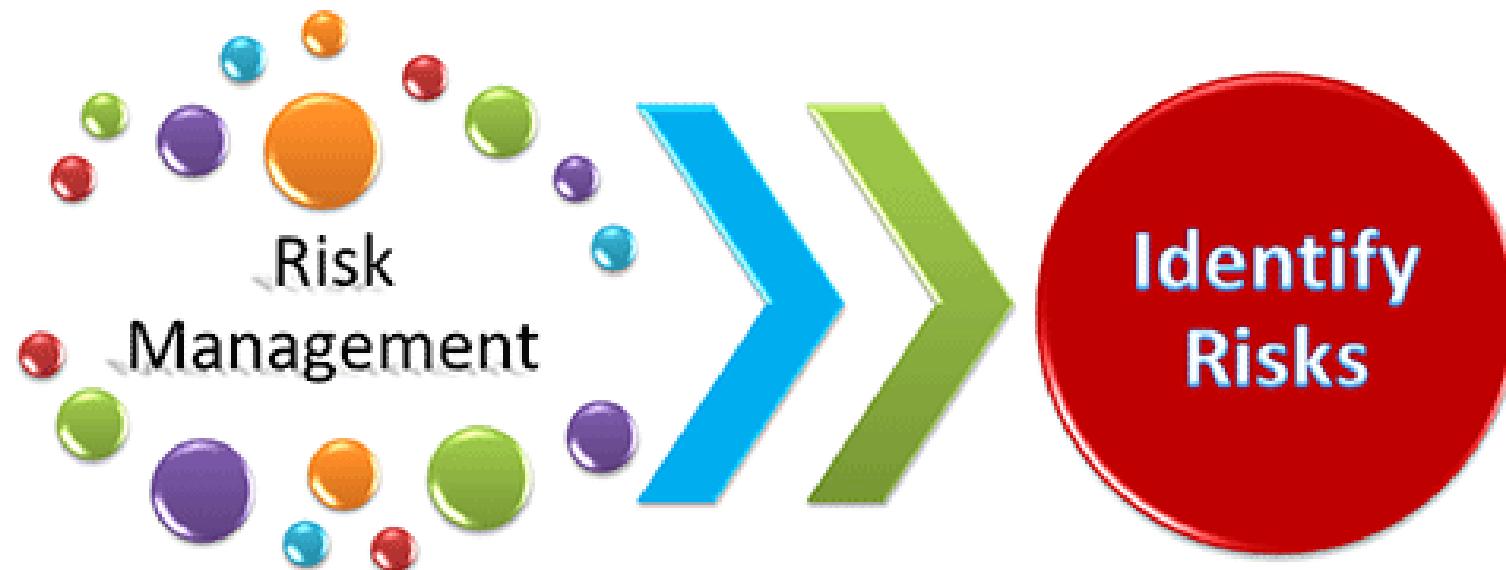


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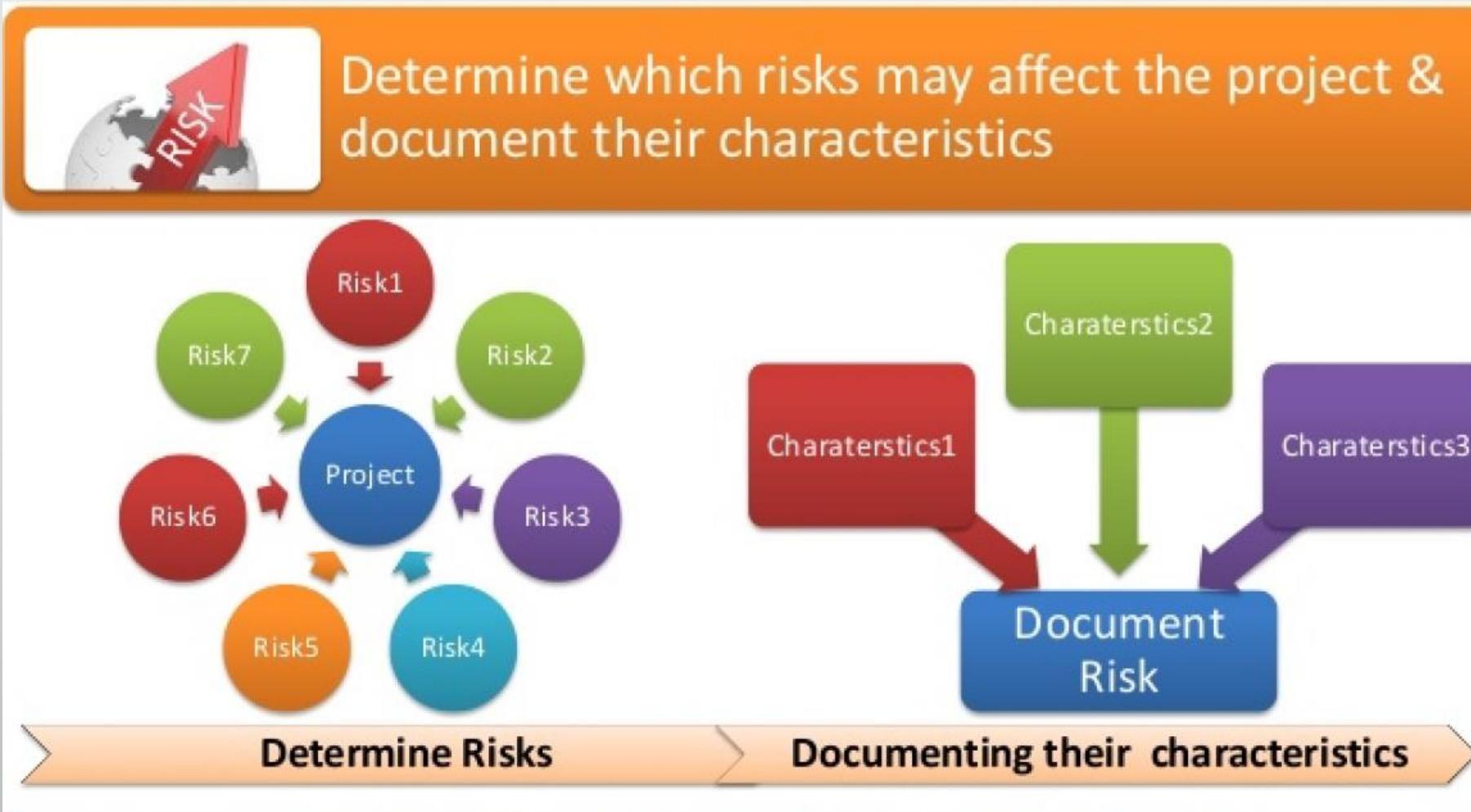
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# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### 11.2 Identify Risk -> Definition



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### 11.2 Identify Risk -> Introduction

Risk Identification is an iterative process

Ownership & Responsibility - Project team should be involved in the process

The more participants involved in the process will help to identify more risks

# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### 11.2 Identify Risk -> Stakeholders involved



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### Inputs

- .1 Risk management plan
- .2 Cost management plan
- .3 Schedule management plan
- .4 Quality management plan
- .5 Human resource management plan
- .6 Scope baseline
- .7 Activity cost estimates
- .8 Activity duration estimates
- .9 Stakeholder register
- .10 Project documents
- .11 Procurement documents
- .12 Enterprise environmental factors
- .13 Organizational process assets

### Tools & Techniques

- .1 Documentation reviews
- .2 Information gathering techniques
- .3 Checklist analysis
- .4 Assumptions analysis
- .5 Diagramming techniques
- .6 SWOT analysis
- .7 Expert judgment

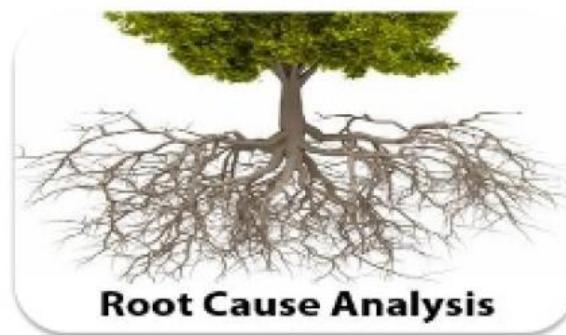
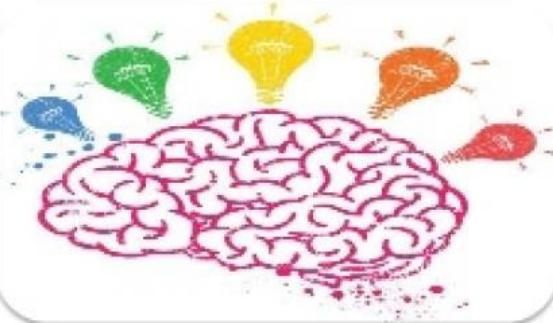
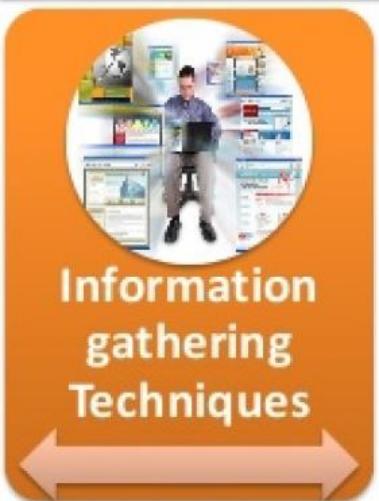
### Outputs

- .1 Risk register

# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

11.2 Identify Risks->T&T->Information gathering Techniques



Root cause Analysis

# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### 11.2 Identify Risks->T&T->Checklist Analysis



Risk identification checklists

Best if Developed based on prior projects

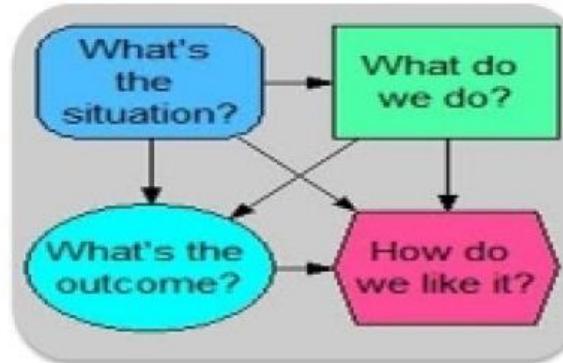
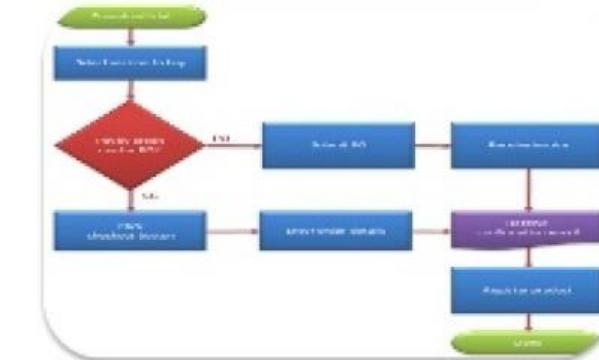
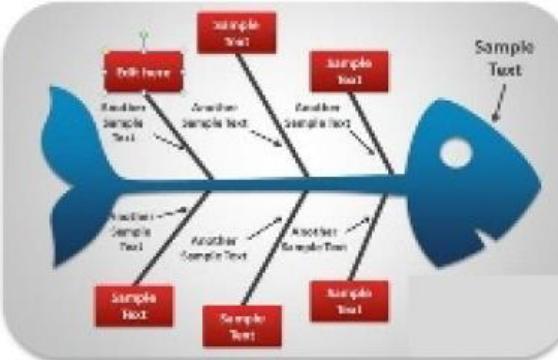
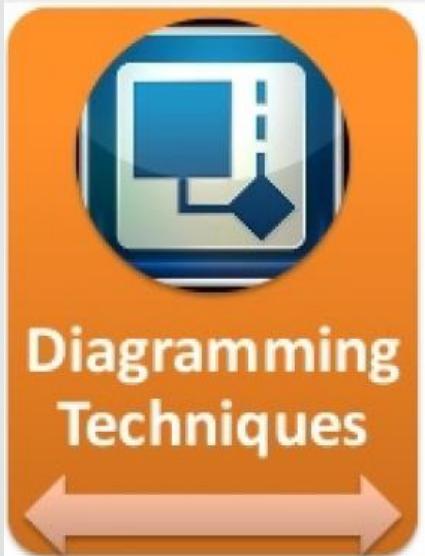
Lowest level of RBS can be used as checklist

It is impossible to build exhaustive checklist

# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### 11.2 Identify Risks->T&T->Diagramming Techniques



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### OUTPUTS Risk Register:

- Document the following information of identified risks:  
Description, risk owner, risk category, root cause, impact on project objectives, probability of occurring, proposed responses, and current status.
- Risk register will be updated through each process of risk management.
- At this point, it contains list of risks, list of potential responses, root causes of risks, and risk categories.

ID	Risk Description	Root cause	Proposed response
1	Lack of labors	Booming in economy	Increase benefits in addition to best salary in industry
2	Delay in marine work package	Weak experience in marine work	Award marine work to a qualified subcontractor
3			
4			

# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### 11.2 Identify Risks->Output->Risk Register



After Identify Risk process the output is, the initial entries into the risk register. It includes:

#### Risk Register:

List of risk

List of initial POTENTIAL responses

Root causes of risks

Updated risk categories

## Lecture 02 : Identify Risk Process

Practice\_Standard\_Project  
\_Risk\_Management

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## Lecture 02 : Project Risk Management

### 02. Identify Risk Process

#### ➤ Purpose and Objectives of the Identify Risk Process

- A risk cannot be managed unless it is first identified
- Impossible to identify **all** the risks at the **outset** of a project
- The purpose of risk identification is to identify risks to the **maximum extent that is practicable**.
- When a risk is first identified, potential responses may also be identified at the same time. These should be **recorded** during the Identify Risks process and considered for immediate action if such action is appropriate. Where such responses are **not** implemented immediately, these should be considered during the Plan Risk Responses process.

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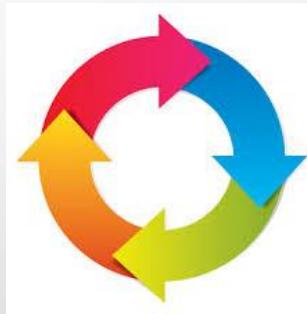
## 02. Identify Risk Process

### ➤ Critical Success Factors for the Identify Risk Process

1- Early Identification



2- Iterative Identification



3- Emergent Identification



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Critical Success Factors for the Identify Risk Process

4- Comprehensive Identification



5- Explicit Identification of Opportunities



6- Multiple Perspectives

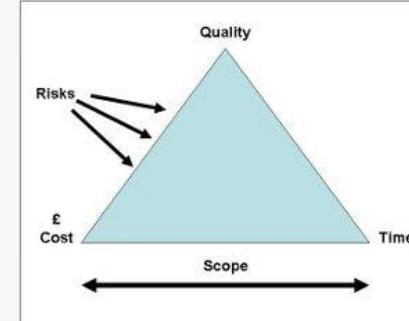


# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Critical Success Factors for the Identify Risk Process

**7- Risks Linked to Project Objectives**



**8- Complete Risk Statement**



**9- Ownership and Level of Detail**



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Critical Success Factors for the Identify Risk Process

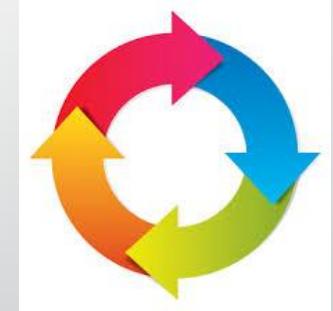
#### 1- Early Identification

- Risk identification should be performed as early as possible in the project lifecycle.



#### 2- Iterative Identification

- Since **not all** risks can be identified at any given point in the project, it is essential that risk identification is **repeated throughout** the project life cycle.
- This should be done **periodically**, at a frequency determined during the **Plan Risk Management** process.



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Critical Success Factors for the Identify Risk Process

#### 3- Emergent Identification



- In addition to invoking the Identify Risks process as defined in the project plan, the Project Risk Management process should permit risks to be identified at any time, not limited to formal risk identification events or regular reviews.

#### 4- Comprehensive Identification



- A broad range of sources of risk should be considered to ensure that as many uncertainties as possible that might affect objectives have been identified.

# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Critical Success Factors for the Identify Risk Process

#### 5- Explicit Identification of Opportunities

- The Identify Risks process should ensure opportunities are properly considered.



#### 6- Multiple Perspectives



- The Identify Risks process should take input from a broad range of project stakeholders to ensure that all perspectives are represented and considered.

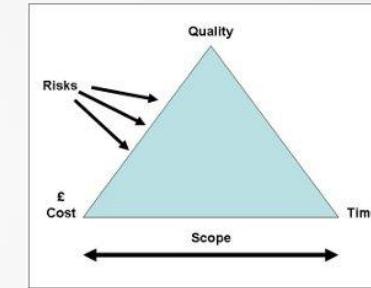
# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Critical Success Factors for the Identify Risk Process

#### 7- Risks Linked to Project Objectives

- Each identified project risk should relate to at least one project objective (time, cost, quality, scope, etc.), noting that the PMBOK® Guide defines risk as an uncertain event or condition that, if it occurs, has a positive or a negative effect on a project's objectives



#### 8- Complete Risk Statement

- Identified risks should be clearly and unambiguously described.



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Critical Success Factors for the Identify Risk Process

#### 9- Ownership and Level of Detail



- Describing risks in a lot of detail can create a great deal of work.
- Each risk should be described at a level of detail at which it can be assigned to a single risk owner with clear responsibility.

## Lecture 02 : Project Risk Management

### 02. Identify Risk Process

#### ➤ Critical Success Factors for the Identify Risk Process

##### 10- Objectivity

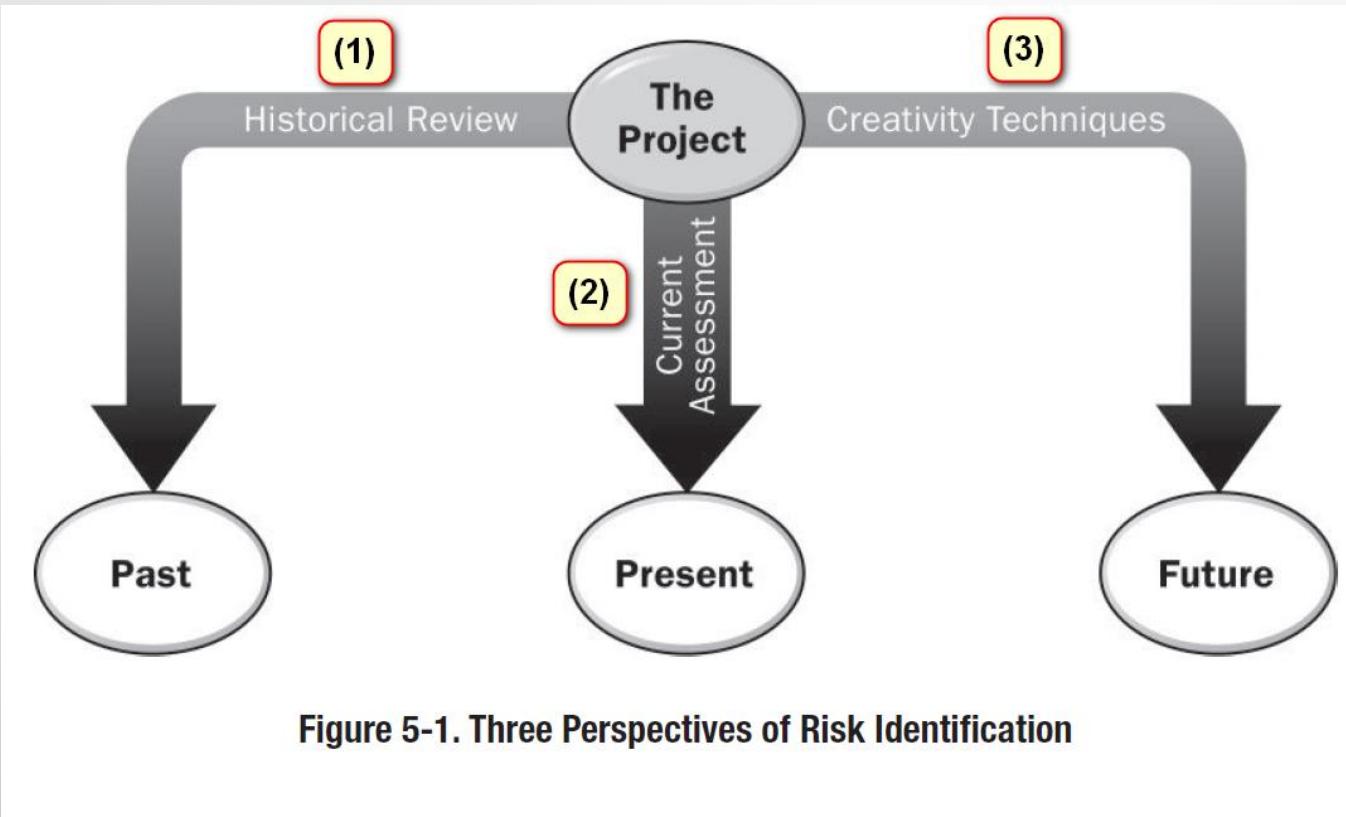


- Sources of bias should be exposed wherever possible, and their effect on the risk process should be managed proactively.
- The aim is to minimize subjectivity, and allow open and honest identification of as many risks as possible to the project.

# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Tools and Techniques for the Identify Risks Process



What are the three perspectives of Risk Identification ?

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## 02. Identify Risk Process

### ➤ Tools and Techniques for the Identify Risks Process

#### **1- Historical Review**

- Historical reviews are based on what occurred in the past or other similar projects in the same organization, or comparable projects in other organizations.



#### **2- Current Assessments**

- Current assessments rely on detailed consideration of the current project.
- Unlike historical review approaches, current assessment techniques do not rely on outside reference points, but are based purely on examination of the project.



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Tools and Techniques for the Identify Risks Process

#### 3- Creativity Techniques

##### 1. Prompt list

- Is a set of risk categories which can be used to stimulate risk identification
- The prompt list may be presented as a risk breakdown structure.
- Used as a framework for other risk identification techniques such as brainstorming or risk interviews.



Q- You are a Project Manager and during identify risk process you and your team are using tool that is set of risk categories which can be used to stimulate risk identification. What is the tool they are using?

- A- Cause and effect diagram.
- B- Pareto Chart.
- C- Probability and impact matrix
- D- Prompt list.



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1. The PESTLE prompt list:

- Political
- Economic
- Social
- Technological
- Legal
- Environmental

2. The TECOP prompt list:

- Technical
- Environmental
- Commercial
- Operational
- Political

3. The SPECTRUM prompt list:

- Socio-cultural
- Political
- Economic
- Competitive
- Technology
- Regulatory/legal
- Uncertainty/risk
- Market

# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Tools and Techniques for the Identify Risks Process

#### 3- Creativity Techniques

##### 2. Risk meta-language

“As a result of cause, risk may occur, which would lead to effect.”



- Which among the following refers to a Structured description of a risk which separates cause, effect, and risk ?
  - A. Risk Meta-Language
  - B. Risk Breakdown Structure
  - C. Risk Model
  - D. Risk Category



Figure 5-2. Cause, Risk, and Effect

## **Lecture 02 : Project Risk Management**

### **02. Identify Risk Process**

# **APPENDIX D**

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# **Lecture 02 : Project Risk Management**

## **02. Identify Risk Process**

# 1- Cause and Effect - (Ishikawa) Diagrams

- Effective selection of critical impacts (e.g. by use of sensitivity analysis)



**Q-** You are a Project Manager for new Construction Project . You Want to use a tool need effective selection of critical impact by using sensitivity analysis?

- A- Pareto.
  - B- Delphi Technique.
  - C- System Dynamics
  - D- Cause and Effect diagram.



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### 2- Force Field Analysis

- Used in the change management context.
- It can be adapted for risk identification by identifying driving forces (“forces for change”) and restraining forces (“forces against change”) which currently affect achievement of a project objective

**Q-** You are Risk Manager and you want to use a Tool can identify points support change , points against change and affect achievement of a project objective . What is this technique?

**A- Delphi Technique.**

**B- Force Field analysis.**

**C- FMEA/Fault Tree Analysis.**

**D- Prompt list.**



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### 3- SWOT Analysis

- SWOT Analysis identifies four characteristics of a given situation: **strengths**, **weaknesses**, **opportunities** and **threats**.
- Used in strategic decision making.
- It can be adapted for risk identification by changing the interpretation of the **four perspectives**
- Opportunities might be found by leveraging **organizational strengths**, or threats might arise as a result of **organizational weaknesses**.
- The technique is particularly useful for identifying **internally-generated risks** arising from within the organization

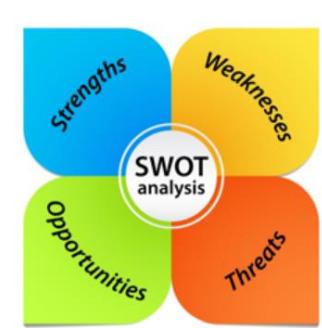


**Q-** As a project manager and during the identify risk process, you and your team members using a technique examines the project from four perspectives to increase the breadth of identified risks by including internally generated risks. What is that technique?

- A- Prompt list.
- B- Delphi Technique.
- C- Fault Tree Analysis.
- D- SWOT.



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# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### 4- System Dynamics

- Is a particular application of influence diagrams (see above), and can be used to identify risks within a project situation.
- The SD model represents entities and information flows within a project, and analysis of the model can reveal **feed-back** and **feed-forward loops** which lead to uncertainty or instability.



**Q-** You are a project manager of Construction project. While you are in the identify risk process, the risk manager suggest a model that represents entities and information flows within a project, and analysis of the model can reveal feed-back and feed-forward loops which lead to uncertainty or instability. What is the technique ?

- A- System Dynamics.
- B- AHP.
- C- SWOT.
- D- Prompt list.

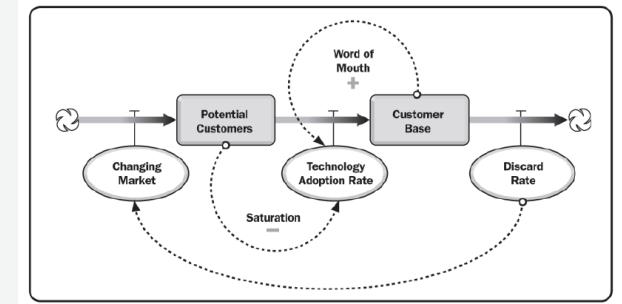


Figure D10. Example of a Simple System Dynamics Model with Feedback Loops

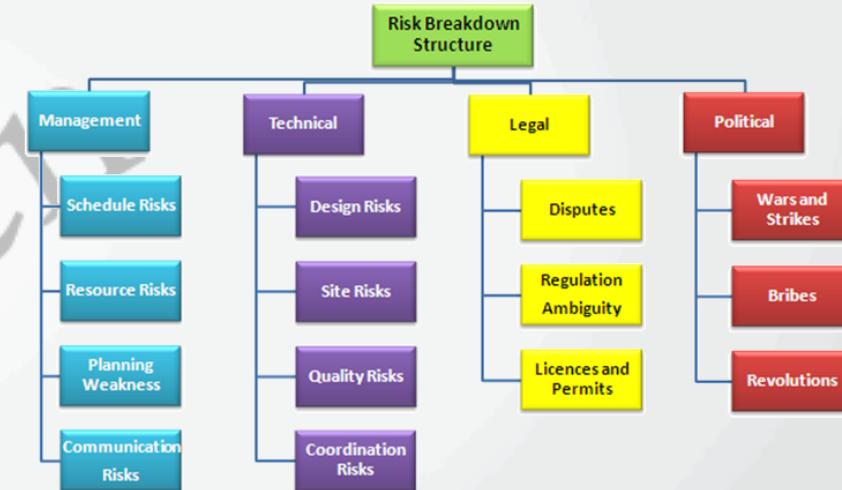


# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### 5- Risk Breakdown Structure (RBS)

- Is a hierarchical framework of potential sources of risk to a project.
- Categorize the risks in Internal ,External ,management, Technical and financial.



**Q-** 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- Prompt list and RBS.
- B- Prompt list and System Dynamics.
- C- Prompt list and AHP.
- D- RBS and SWOT.

ANSWERS



## Lecture 02 : Project Risk Management

### 02. Identify Risk Process

# Very Important KEYWORDS

1. Prompt list ( **Stimulate**)
2. Risk meta-language (**cause, effect, and risk** )
3. Force Field Analysis (**forces for change**"") and ("**forces against change**"")
4. SWOT Analysis ( **four perspectives** )
5. System Dynamics ( **feed-back and feed- forward loops**)
6. Risk Breakdown Structure ( **hierarchical – Categorize** )

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### 02. Identify Risk Process

#### ➤ VERY IMPORTANT QUESTIONS



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# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Very Important Questions



**Q1) You are a Project Manager for new Construction Project. You want to use a tool need effective selection of critical impact by using sensitivity analysis.**

- A- Pareto.**
- B- Delphi Technique.**
- C- System Dynamics**
- D- Cause and Effect diagram.**

**ANSWERS**



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Very Important Questions



Q2) You are Risk Manager and you want to use a Tool can identify points support change, points against change and affect achievement of a project objective.  
What is this technique?

- A- Delphi Technique.
- B- Force Field analysis.
- C- FMEA/Fault Tree Analysis.
- D- Prompt list.

A magnifying glass icon with the word ANSWERS inside it.

A stylized letter B.

# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Very Important Questions



Q3) You are a project manager of Construction project. While you are in the identify risk process, the risk manager suggest a model that represents entities and information flows within a project, and analysis of the model can reveal feed-back and feed-forward loops which lead to uncertainty or instability. What is the technique?

- A- System Dynamics.
- B- AHP.
- C- SWOT.
- D- Prompt list.

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ANSWERS

A stylized signature of the letter A.

# Lecture 02 : Project Risk Management

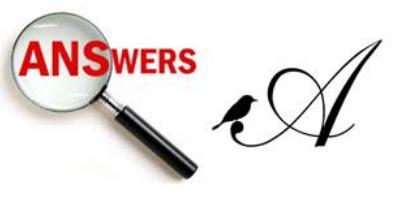
## 02. Identify Risk Process

### ➤ 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- Prompt list and RBS.
- B- Prompt list and System Dynamics.
- C- Prompt list and AHP.
- D- RBS and SWOT.



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## 02. Identify Risk Process

### ➤ Very Important Questions



Q5) Which among the following refers to a structured description of a risk, which separates cause, effect, and risk?

- A- Risk Meta-Language
- B- Risk Breakdown Structure
- C- Risk Model
- D- Risk Category



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Very Important Questions



Q6) You are a Project Manager and during identify risk process you and your team are using tool that is set of risk categories which can be used to stimulate risk identification. What is the tool they are using?

- A- Cause and effect diagram.
- B- Pareto Chart.
- C- Probability and impact matrix
- D- Prompt list.

ANSWERS



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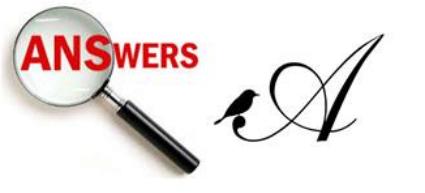
### 02. Identify Risk Process

#### ➤ Very Important Questions



**Q7) What is the output of risk identification process?**

- A- Risk register**
- B- Risk register updates**
- C- Risk register updates**
- D- Project document updates**



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Very Important Questions



**Q8) You are the project manager of a large construction project. You are evaluating the strengths, weaknesses, opportunities and threats involved in a project by engaging different stakeholders. In which of the following processes are you on?**

- A- Define Scope**
- B- Plan Risk Responses**
- C- Plan Risk Management**
- D- Identify Risks**



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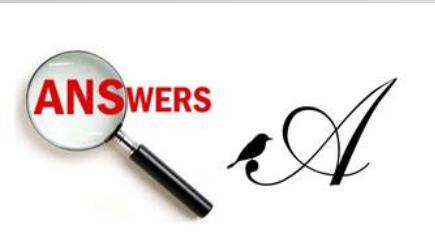
## 02. Identify Risk Process

### ➤ Very Important Questions



**Q9) which of the following is critical success factor for the Identify Risks Process?**

- A- Complete Risk Statement.**
- B- Use Agreed-Upon Approach.**
- C- Collect High-Quality Information about Risks.**
- D- Use Agreed-Upon Definitions of Risk Terms.**



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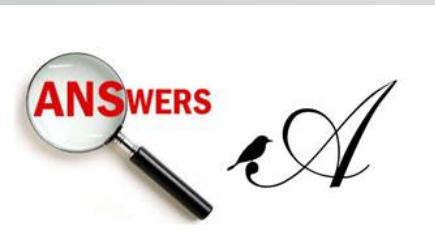
## 02. Identify Risk Process

### ➤ Very Important Questions



Q10) which of the following is critical success factor for the Identify Risks Process?

- A- Ownership and Level of Detail
- B- Commitment to Collecting High-Quality Risk Data
- C- Prior Risk Identification and Qualitative Risk Analysis
- D- Identify and Address Barriers to Successful Project Risk Management



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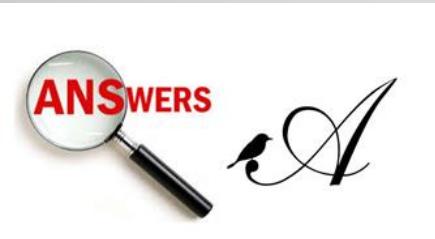
## 02. Identify Risk Process

### ➤ Very Important Questions



**Q11) You are a project manager in your organization. You are in identify risk process. when will the identify risk process be implemented?**

- A- Throughout the project life cycle.**
- B- Initiating phase.**
- C- Planning phase.**
- D- Monitoring and controlling.**



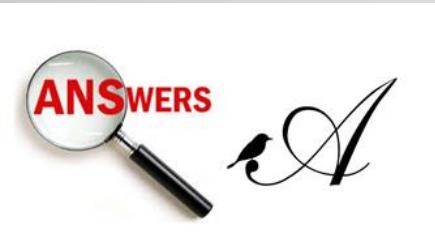
# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Very Important Questions



- Q12) The project scope baseline should be used in the identify risks process because it—**
- A. Identifies project assumptions**
  - B. Identifies all work that must be done; therefore, it includes all risks on the project.**
  - C. Helps organize all work that must be done on the project.**
  - D. Contains information on risks from prior projects**



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Very Important Questions



**Q13) You have geographically dispersed team members, from whom you would like to anonymously obtain expert opinion on the project you are managing. Which information gathering technique should you use?**

- A- Brainstorming**
- B- Delphi technique**
- C- SWOT analysis**
- D- Checklists**



# Lecture 02 : Project Risk Management

## 02. Identify Risk Process

### ➤ Very Important Questions



**Q14) Which among the following refers to a structured description of a risk which separates cause, effect, and risk?**

- A- Risk category**
- B- Risk Breakdown Structure**
- C- Risk Model**
- D- Risk Meta-language**



## Lecture 02 : Project Risk Management

### 02. Identify Risk Process

#### ➤ Very Important Questions



**Q15) What are the three perspectives of risk identification?**

- A- Historical Review, Current Assessment, Future Objective**
- B- Historical Review, Current Assessment, Creativity Technique**
- C- Creativity Technique, Future Objective, Current Assessment**
- D- Future Objective, Historical Review, Current Assessment**



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