

Assignment
kasbit university
Department of BBA

Topic:

What is risk management?

Subject:

Fundamentals Of Management

Submitted by:

Name: Muskan Student

id: 19049

Program: BBA

Submitted to:

AZAR EJAZ ATEEQ

What is risk management?

- . Risk is an uncertain event that may have a positive or negative impact on the project.*
- . Risk management is the process of identifying and mitigating risk.*

Why is it important?

- . Risk affects all aspects of your project - your budget, your schedule, your scope, the agreed level of quality, and so on.*
- . Increase probability of positive event.*
- . Reduce the occurrence of negative events.*

What does it include?

- . Risk management planning*
- . Risk identification*
- . Qualitative risk analysis*
- . Quantitative risk analysis*
- . Risk response planning*
- . Risk monitoring and control*

How is it done in the project?

-

- *Make risk management part of your project*

- *Identify risks early in your project*

Communicate about risks

- *Consider both threats and opportunities*

- *Clarify ownership issues*

- *Prioritise risks*

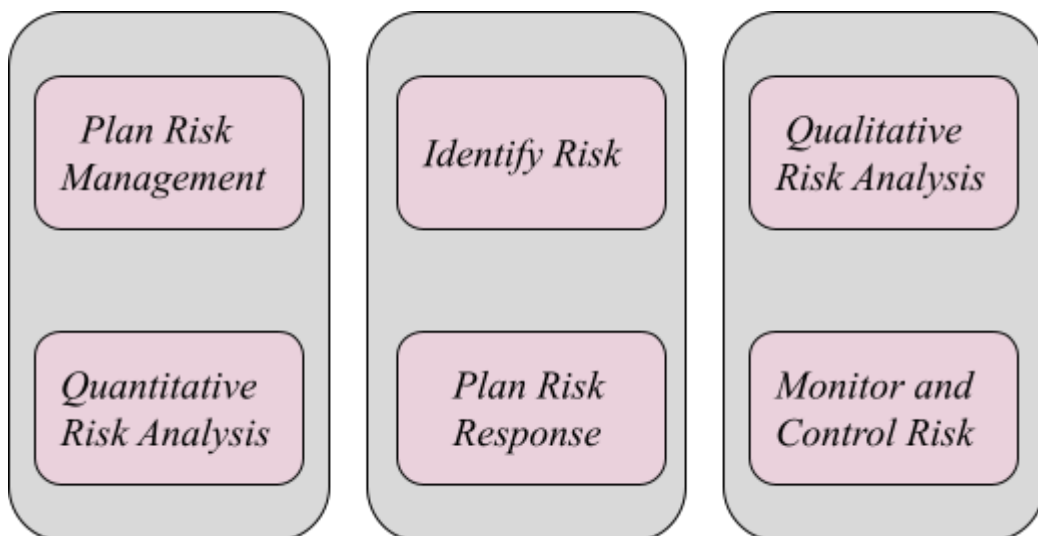
- *Analyse risks*

- *Plan and implement risk responses*

- *Register project risks*

- *Track risks and associated tasks.*

Risk in Project Management



Plan Risk Management

- . Analysis and decision making to implement risk management.*

-

Appropriate to size and complexity of the project.

- *Stakeholders will be involved in planning risk management.*

Risk Management Plan

- *Schedule risk*

- *Cost risk*

- *Quality risk*

- *Scope risk*

- *Resource risk*

- *Customer satisfaction risk*

Identify Risk

- *Which risk has more probability of affecting the project?*

- *Swot analysis*

- *Information gathering*

- *Check-list analysis*

- *Assumption analysis*

Qualitative Risk analysis

- *Assess impact and likelihood of the identified risk.*

- *Probability and impact matrix.*

- . *Risk categorization.*

- Risk urgency assessment.*

Quantitative Risk Analysis

- . *Data gathering*

- 1 Direct*

- 2 Diagrammatic 3 Delphi*

- . *probability distribution*

- . *Modelling techniques*

- 1 Decision tree analysis*

- 2 Sensitivity analysis*

- 3 Expert judgement*

Plan Risk Response

- . *Eliminate threats before they happen.*

- . *Decrease impact of threat.*

- . *Contingency plan (Do something if risk happens)*

- . *Fallback plan (Do something if contingency plans are not effective)*

Plan Risk Response

- . *Negative risk or threat*

- 1 Avoid*

- 2 Transfer*

-

3 Mitigate

4 Accept

- *Positive risk or opportunity*

1 Exploit

2 Share

3 Enhance

Monitor and Control Risk

- *Risk reassessment (Scheduled regularly to identify new risk)*

- *Risk audit (Examine the effectiveness of planned risk response)*

- *Trend analysis (Monitor overall project performance) **What are the benefits?***

- *Effective use of resources.*

- *Promoting continuous improvement.*

- *Fewer shocks and failures.*

- *Strategic business planning.*

- *Raised awareness of significant risks.*

- *Quick grasp of new opportunities.*

- *Enhancing communication.*

- . *Reassuring stakeholders.*
- . *Focus on internal audit programmes.*
- . *Recognition of responsibility and accountability.*

How does Primavera help?

- . *Keep track of issues.*
- . *Maintain a threshold.*
- . *Health of project.*
- . *Track overall project progress to identify any deviation.*