

**Risk Management Plan**

Charity Second-hand Online Store

**Revised records**

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# Risk Management

The project is planned and implemented in order to achieve the project objective. Although the project should be implemented according to the project plan in the process of project implementation, the results of all plans are often not guaranteed, because there may be many unexpected factors. In the process of project implementation, it is necessary to monitor the implementation of the project at any time, identify the possible risks, carry out qualitative and quantitative analysis of the project risks. Meanwhile, project team also should formulate effective risk response plans to minimize the losses caused by the project risks

# Risks identification

The event of the risk identification is to find the uncertainty factors affecting the project into a clear risk statement. Any stakeholder can resist the potential risks in the project risk register.

The risks in the project include the following aspects (but not limit the following):

1. Communication risk
2. Human resource risk
3. Technical risk
4. Schedule risk
5. Scope risk
6. Quality risk

# Risks analysis

The process of risk analysis is to analyze the risk statement and get the priority of risk. So, they provide some basic information for the next step of risk response.

In order to identify the most important risk events, two factors that determine the importance of risk events need to be analyzed:

1. the probability of risk occurrence (and its frequency, if possible, happened more than one times)
2. Impact of risks on the project.

The importance of risk events is directly proportional to these two factors, that is, the higher the probability of occurrence, the more important the risk; the greater the impact, the more important the risk. According to the importance of risk events, we should pay attention to different levels and formulate different risk reduction strategies. Generally, the risk with large impact but low possibility needs more attention than the risk with small impact but a high possibility.

## Probability of risk events

Base on the probability of occurrence of risks, we divide the probability of risk into five grades as the following shows.

| Grades | Explanation | Probability |
| --- | --- | --- |
| Very high risk | Obviously, the probability of happening is significantly higher than that of not happening | 80 % - 99 % |
| Hight risk | More likely to happen | 60 % - 79 % |
| Moderate risk | The occurrence and non-occurrence have similar probability | 40 %– 59 % |
| Low risk | Not likely to happen | 20 % - 39 % |
| Very low risk | Probably not happen | 0 % - 19 % |

## The impact of risk events

| Grades | Explanation | Impact on project time |
| --- | --- | --- |
| Severe | Causing a critical part of the project to fail that of not happening | Delay of one month |
| High | Which leads to the failure of the more important part of the project | Delay of 14 days |
| Medium | will affect the implementation effect of some parts of the project | Delay of 7 days |
| Low | Will weaken the functionality available to the client | Delay of 3 days |
| Negligible | Has little impact on the functionality available to the client | Delay of 1 day |

# Risk Response approach

The usual approach is to first deal with any risk event with high impact/likelihood, second with risk event with medium impact/likelihood, and then consider risk event with high impact/probability.

Risk management methods include：

1. Risk aversion: the usual way is to find out the cause of the risk and prevent it from happening
2. Risk mitigation: reduce the possibility or impact of risk
3. Risk acceptance: the occurrence of risk acceptance
4. Risk transfer: seek help from our advisor.

# Risk monitoring

The risk monitoring process includes monitoring the status of risk events in order to issue a notice to initiate risk response actions when risk events occur

1. Inform relevant personnel of current major risk events and their status.
2. Timely inform the risk events that will turn into problems and arrange relevant persons in charge to deal with them