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CMSC 128 LAB – 1
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Laboratory Exercise #3

Study Scenario:

Company A is a multi-national company based in the US but they have offshore operations and office here in the Philippines. One of the large banks in the Philippines hired Company A to develop one of their systems under Project ALPHA. In this project, there is 1 PM, 1 BA, 2 QAs and 3 DEVs. These DEVs and QAs are based in India while the BA and PM are based in the Philippines.

Project, Product, and Business Risks

RISK	AFFECTS	DESCRIPTION
Communication	Project	Since the team is comprised of Filipinos and Indians, there will inevitably be misunderstandings or misinterpretations due to the language barrier.
Culture	Project	Given that the team members were raised with distinct sets of values, there may be cultural differences that generate conflict while engaging with one another. Someone may believe that a particular conduct is acceptable since it is considered "normal" to them, yet it may be uncomfortable for the other person.
Financial Risks	Project Product Business	Monetary issues such as the high cost of hiring an Indian developer, travel charges for an Indian QA to physically examine system performance, maintenance costs for Dev to correct system flaws, or escalating material costs if logistics are moved abroad.
External Risks	Business	External risks include laws governing system development in the Philippines compared to those in India, market changes in the Philippines that differ from those in India, or the availability of materials if required.
Technical Risks	Product	Technology in the Philippines differs from that in India. Spare components

		for the suggested equipment may not be accessible in the Philippines.
Performance Risks	Product	The system developed by Indian Dev may not meet the expectations of the Filipino PM and BA.

Risk Management Process

RISK	AFFECTS	DESCRIPTION
Communication	Project	Employ Indian QA and Dev who are fluent in English. Constant communication among project participants should be developed, and the terms used during discussions should be general in order for both races to completely comprehend one another.
Culture	Project	Hired Indian QA and Dev should undergo actual cultural exposure and observation of Philippine clients and bank stakeholders.
Financial Risks	Project Product Business	System projects should be thoroughly researched in terms of total project cost, allowance cost for system failure and rectification, and additional costs such as travel and accommodation expenses for Indian workers who will physically execute actual resolution.
External Risks	Business	All regulations governing the system should be taken into account when developing the system. Any market changes or logistics shortages should be noted in the system manual, which will act as a guide for the Filipino staff.

		Power interruptions or force majeure should also be considered.
Technical Risks	Product	Equipment specifications should take into account both standard operations and future demand. Back-up equipment or parts should always be accessible. Stop-gaps (or temporary ways to deal with problems) in operations should be avoided if equipment or parts fail.
Performance Risks	Product	The completed system should be stress tested to establish its robustness and probability of failure.