

## **EXPERIMENT NO.:09**

**Date of Performance:**

**Date of Submission:**

**Aim:** Preparation of Risk Mitigation, Monitoring and Management plan (RMMM.)

**Software Used: Ms Word**

**Theory:-**

RMMM Plan :

A risk management technique is usually seen in the software Project plan. This can be divided into Risk Mitigation, Monitoring, and Management Plan (RMMM). In this plan, all works are done as part of risk analysis. As part of the overall project plan project manager generally uses this RMMM plan.

In some software teams, risk is documented with the help of a Risk Information Sheet (RIS). This RIS is controlled by using a database system for easier management of information i.e creation, priority ordering, searching, and other analysis. After documentation of RMMM and start of a project, risk mitigation and monitoring steps will start.

### **Risk Mitigation :**

It is an activity used to avoid problems (Risk Avoidance).

Steps for mitigating the risks as follows.

- Finding out the risk.
- Removing causes that are the reason for risk creation.
- Controlling the corresponding documents from time to time.
- Conducting timely reviews to speed up the work.

### **Risk Monitoring :**

It is an activity used for project tracking.

It has the following primary objectives as follows.

To check if predicted risks occur or not.

- To ensure proper application of risk aversion steps defined for risk.
- To collect data for future risk analysis.
- To allocate what problems are caused by which risks throughout the project.

### **Risk Management and planning :**

It assumes that the mitigation activity failed and the risk is a reality. This task is done by Project manager when risk becomes reality and causes severe problems. If the project manager effectively uses project mitigation to remove risks successfully then it is easier to manage the risks. This shows that the response that will be taken for each risk by a manager. The main objective of the risk management plan is the risk register. This risk register describes and focuses on the predicted threats to a software project.

### **Steps for Risk Management**

1. Identify possible risks and recognize what can go wrong

2. Analyse each risk to estimate the probability that it will occur and the impact (i.e., damage) that it will do if it does occur
3. Rank the risks by probability and impact. Impact may be negligible, marginal, critical, and catastrophic.
4. Develop a contingency plan to manage those risks having high probability and high impact

#### **Risk Table**

<b>Risks ID</b>	<b>Risks</b>	<b>Category</b>	<b>Probability</b>	<b>Impact</b>
R1	Price fluctuations	Market Risk	High	3 – Marginal
R2	Supply chain disruptions	Operational Risk	Medium	1– Catastrophic
R3	Competitor pricing changes	Competitive Risk	High	2 – Critical
R4	Regulatory changes	Legal Risk	Low	1– Catastrophic
R5	Currency exchange rate	Financial Risk	Medium	3 – Marginal

#### **RMMM Plan**

##### **Risk R1: Price Fluctuations**

- **Category:** Market Risk
- **Probability:** High
- **Impact:** Marginal (3)

##### **Mitigation Strategies:**

1. **Hedging:** Utilize financial instruments to hedge against price changes.
2. **Diversification:** Broaden supplier base to reduce dependency on single pricing structures.

##### **Monitoring:**

- Regularly review market trends and pricing indices.
- Set up alerts for significant price changes.

##### **Management Plan:**

- Designate a team responsible for market analysis and hedging strategies.
- Schedule monthly reviews of market conditions and adjust strategies as necessary

##### **Risk R2: Supply Chain Disruptions**

- **Category:** Operational Risk
- **Probability:** Medium
- **Impact:** Catastrophic (1)

##### **Mitigation Strategies:**

1. **Supplier Assessment:** Regularly evaluate supplier reliability and performance.
2. **Contingency Plans:** Develop backup suppliers and stock essential materials.

##### **Monitoring:**

- Maintain close communication with suppliers.
- Conduct periodic risk assessments of the supply chain.

##### **Management Plan:**

- Create a supply chain risk management team.
- Implement quarterly reviews of supplier performance and contingency plans.

**Risk R3: Competitor Pricing Changes**

- **Category:** Competitive Risk
- **Probability:** High
- **Impact:** Critical (2)

**Mitigation Strategies:**

1. **Market Analysis:** Implement continuous market and competitor analysis.
2. **Value Proposition:** Strengthen brand loyalty and customer service to justify pricing.

**Monitoring:**

- Track competitor pricing regularly.
- Gather customer feedback to assess value perception.

**Management Plan:**

- Allocate resources for ongoing competitor analysis and customer feedback collection.
- Schedule bi-weekly competitive strategy meetings to adapt pricing approaches.

**Risk R4: Regulatory Changes**

- **Category:** Legal Risk
- **Probability:** Low
- **Impact:** Catastrophic (1)

**Mitigation Strategies:**

1. **Compliance Team:** Establish a dedicated team for regulatory monitoring.
2. **Legal Counsel:** Engage with legal experts to stay ahead of changes.

**Monitoring:**

- Subscribe to regulatory updates and newsletters.
- Attend industry seminars and webinars.

**Management Plan:**

- Form a regulatory task force to ensure compliance with all applicable laws.
- Review regulatory strategies bi-annually and adjust based on updates.

**Risk R5: Currency Exchange Rate**

- **Category:** Financial Risk
- **Probability:** Medium
- **Impact:** Marginal (3)

**Mitigation Strategies:**

1. **Foreign Currency Accounts:** Maintain accounts in major currencies to manage exposure.
2. **Forward Contracts:** Use forward contracts to lock in exchange rates.

**Monitoring:**

- Regularly assess currency trends.
- Review financial impacts of currency fluctuations on a quarterly basis.

**Management Plan:**

- Designate a financial officer to oversee currency risk management strategies.
- Conduct quarterly financial reviews to assess the effectiveness of current strategies.

**Conclusion :** Risk Mitigation, Monitoring and Management plan (RMMM.) has been prepared

**Sign and Remark:**

R1	R2	R3	Total Marks	Signature
(5)	(5)	(5)	(15)	