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Risk Management Practicals

# Practical

The practical consists of three risk management tasks all concerning the projects outlined in the additional handout. The purpose of the practical is to think about possible risks and how to handle them. There is no single correct answer, the practical is about considering the issues and process.

# Practical - Risk Identification

Each group should read the project scenarios on the other handout and list possible risks *to the first* of the project scenarios on the table below.

Once all the groups have completed this, we will compare and discuss the risks identified by the various groups.

If you have time, you may want to consider scenario 2 as well, or you can do that in your own time.

# Practical - Risk Prioritisation

Using the table below, try to quantify the risk exposure and then prioritise the risks that you have identified.

To assess the impact of a risk, use the risk exposure method as discussed in the relevant Risks lecture. This involves assessing the probability of a particular risk occurring, and estimating the size of the resulting loss in project time. These two numbers are then multiplied to give a risk exposure (RE) value which can be used as the basis for the prioritisation.

Once all groups have completed this exercise we will compare and discuss the prioritisation.

## Project Scenario 1

| Risk | Probability of Risk | Size of loss | Risk Exposure | Risk Priority |
| --- | --- | --- | --- | --- |
| The schedule may be unachievable because of the reduction from 104 to 52 person-weeks |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Add more lines if needed |  |  |  |  |

## Project Scenario 2

| Risk | Probability of Risk | Size of loss | Risk Exposure | Risk Priority |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
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# Practical - Risk Resolution

Each group should develop a strategy for resolving each of the listed risks to the project. The risk handling methods -

* avoid the risk,
* transfer the risk,
* buy information about the risk,
* eliminate the risk,
* assume the risk,
* publicise the risk,
* control the risk

should be used to provoke ideas on how to handle the risks. For each risk, your group should decide which method to employ and how it will be implemented. An example is shown below.

Please note that your group should not be overly concerned about the category of risk handling method a strategy is listed under. The categories are provided to provoke ideas on ways of handling risks.

Once all the groups have finished, we will compare and discuss the various plans.

If your group finishes early, you should try and determine strategies which could come under the various relevant risk methods you have not used e.g. avoid, transfer, buy, eliminate, assume, publicise, control.

## Project Scenario 1

| Risk | Method | Strategy |
| --- | --- | --- |
| The schedule may be unachievable because of the reduction from 104 to 52 weeks | Example – Avoid | Don’t accept the project because the schedule risk is too high |
| Copy the others from your above Scenario 1 table |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

## Project Scenario 2

| Risk | Method | Strategy |
| --- | --- | --- |
| Copy from your above Scenario 2 table |  |  |
|  |  |  |
|  |  |  |
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|  |  |  |
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