

AFRICAN INSTITUTE OF PROJECT PLANNING AND MANAGEMENT

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***REGISTRATION NO: PGD003-POST
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AREAS OF CONCERN

- ❖ *Definitions*
- ❖ *Illustrations*
- ❖ *Objectives*
- ❖ *Aims*
- ❖ *Conclusion*

References

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SOLUTIONS FOR ASSIGNMENT FIVE

1. Explain briefly the types of project organization

Project are performed by people and managed through people, so its essential to develop an organization structure. Which reflects the need of the project (task)?

The needs of project team and just as importantly the needs of individual

Therefore:

Project human management is defined as the process required t make the most of people with the project.

Hence

Project organization identifies the relationship between the project, participants, together with defining their duties, responsibilities and authority.

These structure outline the relationship between the various participants, outline of authority and the line of communication, consider:

- ❖ *Project team*
- ❖ *Project interfaces*
- ❖ *Project matrix organization structure*
- ❖ *Responsibility matrix*

International Organizations

The project divisions of donor agencies require periodic information on physical and financial progress, as specified in the loan agreement.

Program or policy divisions may require broader economic or social data to evaluate project impacts and to help in the selection of future projects.

Donors and foundations also sponsor broader studies tosses' how projects affect, and are affected by, sectorial and national policies.

National Institutions

Planning Ministries require summary indicators on project implementation and how this affects loan disbursements. Some agencies also compare alternative projects in terms of their cost–effectiveness or their economic rates of return.

The Ministry of Finance monitors the financial performance of all projects. Monitoring is often limited to standard auditing, but in some cases cost–effectiveness techniques (see Chapter 4) are used. In a

number of developing countries the legislative branch is beginning to create its own watchdog agencies such as the Programme Evaluation Organization in India.

Line ministries such as Housing, Irrigation, and Health coordinate and supervise projects, and prepare information required by central planning and financial agencies. Ministries vary greatly with respect to the kinds of M/E information they require

Which may range from basic monitoring tables to sophisticated research projects?

The research community may pressure their colleagues in the evaluation units to make studies more sophisticated or academically "interesting" or to ensure that the evaluation follows a particular ideological line.

Local Implementing and Coordination Agencies

Project implementing agencies require short- and medium-term information to monitor progress and to detect and help resolve problems

When they arise. The agencies also produce monitoring data for national agencies. Different divisions within implementing agencies have different information needs and different expectations from a monitoring unit.

The Role of Donor Agencies in Strengthening National M/E Systems

Donors are the major source of development finance in many developing countries. Because of their concern about accountability in the use of their funds, they have had a strong influence on the development of many national M/E systems. Donor involvement has produced both positive and negative results. On the positive side, they have been instrumental in introducing the concepts of monitoring, have trained local staff in the design and implementation of monitoring studies, and have provided the equipment and logistical support required to conduct the studies.

Donors have also supported innovative work in areas such as beneficiary assessment monitoring, sustainability assessment, and alternative methodologies for evaluating project impacts.

However, donor agencies have also hindered the development of national M/E systems because their primary concern has been to monitor the performance of their own projects. As a result, they have shown little interest in helping the government develop M/E systems that can be applied to all projects. Governments are often required to apply different monitoring

Methodologies in a particular sector simply because projects are funded by different international agencies.

Bilateral agencies are required to account to their governments for the use of funds, and most conduct their own project evaluations with the limited involvement of national agencies. For example, both USAID and Canadian CIDA projects are normally evaluated by agency staff in cooperation with consultants—who may be nationals but who are frequently brought in from outside. Although the AID Evaluation Handbook (1987:10) states that "the Agency places considerable importance on making monitoring and evaluation a collaborative activity involving A.I.D's counterparts to the fullest extent possible," in most cases their projects are evaluated by AID staff and consultants, and if counterparts are involved it is to help execute the AID evaluation design.

CIDA's Practical Guide for Conducting Project Evaluations (1985) is written exclusively for

CIDA staff and makes no reference to the involvement of national evaluation agencies.

The Organization for Economic Cooperation and Development publication "Methods and Procedures in Aid Evaluation" (OECD 1986) documents the procedures used by the major aid donors to evaluate their programs.

Each of the three systems described (centralized and independent; centralized, integrated; and dual) are implemented by the donor, with virtually no formal involvement of the recipient country. The report (OECD1986:50) states:

There has been little official commitment within the bilateral donor community to provide support for the development of the evaluation capacity of the recipient countries. Only a few donors report explicit policies on this issue. Several, however, have been engaged in activities which in effect do involve recipients either to improve the evaluation or to develop their institutional capacity.

Confirms that this situation did not change greatly over the succeeding five years. The World Bank and the regional development banks require monitoring reports to be prepared by the national project executing agency. Funds for this purpose are normally included in the Loan or credit. Some guidelines have been prepared (both general and some sector specific), and technical assistance may be provided by the lending agency. With the exception of the Africa

Agriculture Department and the Africa Region Poverty and Social Policy Division (the latter for programs to mitigate the social costs of adjust), however, the World Bank has no monitoring or evaluation units that could provide technical assistance to borrowers in the design and implementation of M/E systems for ongoing projects.

The Operations Evaluation Department (OED) of the World Bank does assist some governments in the preparation of project completion reports and in the development of an evaluation capability to conduct ex-post evaluations.

Although the development banks have helped national agencies develop a project monitoring capacity, the international agencies have made almost no effort to standardize approaches. Second, the studies normally cover only the implementation phase of a project and do not continue during project operation. Thus, no attempt is made to assess sustainability or impacts. Third, the terms of reference and the scope of the monitoring tend to be determined more by the concerns of the donor than by the interests of the borrower. And fourth, the focus is normally restricted to the project level, and no attempts are made to assess the sectorial impacts of a particular project.

While recognizing that donor agencies have responsibilities to their own governments, and must inevitably be primarily concerned to ensure the satisfactory performance of the projects they are funding, Box 12-3 suggests some concrete ways in which international agencies could help strengthen national monitoring and evaluation capacity.

2. What are the phases available in project portfolio process?

Project Portfolio Management (PPM)

Portfolio is defined as a group of projects that compete for scarce resources and are conducted under the sponsorship or management of a particular organization.

The three main well-known objectives of portfolio management are, the following: maximizing the value of the portfolio, linking the portfolio to the strategy and the continuous monitoring/assessment of the portfolio.

To the previous definition that the project portfolio management can be considered a dynamic decision process, and for that reason has to be continuously updated and revised, to select in each moment the best solutions possible.

Project portfolio selection is an important management activity of the organization, where the project team must assess every detail, carefully, in order to amplify the performance of the organizational assets and to align them with the strategic objectives of the organization, although there are usually more projects available for selection than can be undertaken within the physical and financial constraints of a firm, so choices must

be made in making up a suitable project portfolio.

According to Efficiency of project portfolio management, therefore, could be determined by estimating the degree to which the portfolio fulfills its objectives: strategic alignment, balance across projects, and value maximization have identified, and point out, the common problems in project selection and portfolio management, faced by companies. So the following reasons can be related with the difficulties on managing, and on selecting, the proper projects to the portfolio:

a) No link between strategy and project selection: Projects tend not to be fully related with the organization's strategic objectives, which affects the organization overall performance;

b) Poor quality portfolios: the organizations, normally, do not have judicious criteria for selecting viable projects from half-baked ideas;

c) Reluctance to kill projects: there is, commonly, an umbilical relationship between the organization (team members) and the project itself, which sometimes constitutes a major organizational failure for continuing investing scarce resources in an unviable project;

d) Scarce resources, a lack of focus and management capability, to balance properly the resources, often creates additional pressure to multitask, contributing to produce unexpected errors and not assimilate the important lessons from the project development;

e) Selecting short-term and projects: Companies tend to implement easy and cheap projects, which consequently reduces their potential to prosper and to achieve competitive advantages

f) Information overflow and lacking quality of information: Regardless of the quality and sophistication of the portfolio selection and decision tools, it is fundamental to obtain the proper information to make accurate decisions;

g) Decision making based in power: Usually the decision is an exercise of power, which means that there may be situations in organizations where decisions tend not to reflect the organizational future success, by being deprived of the sphere of influence

3. Explain the term risk management

Risk can be defined as the chance of loss or an unfavorable outcome associated with an action. Uncertainty does not know what will happen in the future. The greater the uncertainty, the greater the

Risk. For an individual farm manager, risk management involves optimizing expected returns subject to the risks involved and risk tolerance.

Agricultural producers make decisions in a risky environment every day. The consequences of their decisions are generally not known when the decisions are made. Furthermore, the outcome may be better or worse than expected. The two situations that most concern agriculture producers are:

- 1) Is there a high probability of adverse consequences, and*
- 2) Would those adverse consequences significantly disrupt they*

Must decide between different alternatives with various levels of risk. Those alternatives with minimum risk may generate little profit. Those alternatives with high risk may generate the greatest possible return but may carry more risk than the producer will wish to bear. The preferred and optimal choice must balance potential for profit and the risk of loss. It all comes down to management, and there are no easy answers

. Risk management skills of farmers and ranchers. There is a broad array of established risk management tools ready to be used and new tools are always being developed. By learning about and using these tools, crop and livestock producers can build the confidence needed to deal with risk and exciting opportunities of the future.

Therefore:

Risk management is defined as systematic process of identifying, analyzing, and responding to project risk

Steps in Risk Management Planning

IDENTIFY RISKS

The first step in the process of managing risk is identifying and classifying the prospective risks. The five primary sources of risk are: Production, Marketing, Financial, Legal and Human.

The major sources of production risks are weather, climate changes, pests, diseases, technology, genetics, machinery efficiency, and the quality of inputs.

MARKETING RISK

Marketing is that part of a farm business that transforms production activities into financial success. Agriculture operates in a global market. Unanticipated forces anywhere in the world, such as weather or government action, can lead to dramatic changes in output and input prices. When these forces are understood, they can become important considerations for the skilled marketer. Marketing risk is any market related activity or event that leads to the variability of prices farmers receive for their products or pay for production inputs. Access to markets is also a marketing risk.

FINANCIAL RISK

Financial risk encompasses those risks that threaten the financial health of the business and has four basic components:

- 1) The cost and availability of capital;*
- 2) The ability to meet cash flow needs in a timely manner;*
- 3) The ability to maintain and grow equity;*
- 4) The ability to absorb short-term financial shocks.*

Cash flows are especially important because of the variety of on-going obligations such as cash input costs, cash lease payments, tax payments, debt repayment, and family living expenses.

LEGAL RISK

Many of the day-to-day activities of all farmers involve commitments that have legal implications. Understanding these issues can lead to better risk management decisions. Legal issues intersect with other risk areas. For example, acquiring an operating loan has legal implications if not repaid in the specified manner. Production activities involving the use of pesticides have legal implications if

appropriate safety precautions are not taken. Marketing of agricultural products can involve contract law. Human issues associated with agriculture also have legal implications, ranging from employer/employee rules and regulations, to inheritance laws. The legal issues most commonly associated with agriculture fall into five broad categories:

- 1) Contractual arrangements;*
- 2) Business organization;*
- 3) Laws and regulations;*
- 4) Tort liability; and,*
- 5) Public policy and attitudes.*

HUMAN RISK

People are both a source of business risk and an important part of the strategy for dealing with risk. At its core, human risk management is the ability to keep all people who are involved in the business safe, satisfied and productive. Human risk can be summarized into four main categories:

- 1) Human health and well-being;*
- 2) Family and business relationships;*
- 3) Employee management; and,*
- 4) Transition planning.*

4. How are projects cushioned from risk?

Assess the root causes of program risks and develop strategies to manage these risks during each acquisition phase. Identify as early as possible, and intensively manage those design parameters that critically affect capability, readiness, design cost, or LCC

Use technology demonstrations, modeling and simulation, and aggressive prototyping to reduce risks. Include test and evaluation as part of the risk management process Include industry participation in risk management.

Offerors should have a risk approach as part of their proposals as suggested in this guide to identify root causes and develop plans to manage those risks and should include a draft RMP.

Additionally, the offer should identify risks as they perceive them as part of the proposal. This not only helps the government identify risks early, but provides additional insight into the offeror's level of understanding of the program requirements.

Use a proactive, structured risk assessment and analysis activity to identify and analyze root causes. Use the results of prior event-based systems engineering technical reviews to analyze risks potentially associated with the successful completion of an upcoming review. Reviews should include the status of identified risks. Utilize risk assessment checklists (available for all event-based technical reviews) in preparation for and during the conduct of technical reviews. Establish risk mitigation plans and obtain resources against that plan.

Provide for periodic risk assessments throughout each program life-cycle phase. Establish a series of “risk assessment events,” where the effectiveness of risk reduction conducted to date is reviewed. These “risk assessment events” can be held as part of technical reviews, risk review board meetings, or periodic program reviews. These events should include the systems engineering technical reviews, be tied to the IMP at each level, and have clearly defined entry and exit criteria reviewed during IBRs. Include processes as part of risk assessment. This would include the contractor’s managerial, development, and manufacturing processes as well as repair processes for the sustainment phase. Review the contractor’s baseline plans as part of the IBR process which includes joint government/contractor evaluation of the inherent risks in the contractor’s integrated earned value baseline (work definition, schedule, and budgets).

Review the contractor’s Schedule Risk Assessment (SRA) when provided as part of the IMS data item. Review the realism of the contractor’s estimate at completion.

Assess the overall likelihood of the contractor achieving the forecasted schedule or final costs against the program’s constraint. Establish a realistic schedule and funding baseline for the program as early as possible in the program, incorporating not only an acceptable level of risk, but adequate schedule and funding margins.

Clearly define a set of evaluation criteria for assigning risk ratings (low, moderate, high) for identified root causes. Determine the program's approach to risk prioritization, commonly presented in the risk reporting matrix.

Risk Identification

The first key activity in the risk management process is Risk Identification. While in some publications “risk assessment” is used as an umbrella term that includes the primary activities of both risk identification and risk analysis this guide addresses these two critical risk management activities separately in Sections 0 and 0, respectively.

Purpose

The intent of risk identification is to answer the question “What can go wrong?” by: Looking at current and proposed staffing, process, design, supplier, operational employment, resources, dependencies, etc. ,Monitoring test results especially test failures (readiness results and readiness problems for the sustainment phase), Reviewing potential shortfalls against expectations.

Analyzing negative trends.

Risk identification is the activity that examines each element of the program to identify associated root causes, begin their documentation, and set the stage for their successful management.

Risk identification begins as early as possible in successful programs and continues throughout the program with regular reviews and analyses of Technical Performance Measurements (TPMs), schedule, resource data, life-cycle cost information, EVM data/trends,

Progress against critical path, technical baseline maturity, safety, operational readiness, and other program information available to program IPT members.

Risk can be associated with all aspects of a program, e.g., operational needs, attributes, constraints, performance parameters including Key Performance Parameters (KPPs), threats,

Technology, design processes, or WBS elements. Consequently it is important to recognize that risk identification is the responsibility of every member of the IPT, not just the PM or systems engineer.

Examination of a program is accomplished through decomposition into relevant elements or areas. Decomposition may be oriented to requirements, processes, functional areas, technical baselines, or acquisition phases. Another method is to create a WBS as early as possible in a program for a product-oriented decomposition, which is particularly useful in identifying product and some process oriented risks. Other means, such as a process-oriented framework, would be required to sufficiently illuminate process-based root causes, which could be tracked via the.

Requirements.

The sensitivity of the program to uncertainty in the system description and requirements, excluding those caused by threat uncertainty. Requirements include operational needs, attributes, performance and readiness parameters (including KPPs), constraints, technology, design processes, and WBS elements.

Technical Baseline.

The ability of the system configuration to achieve the program's engineering objectives based on the available technology, design tools, design maturity, etc. Program uncertainties and the processes associated with the "ilities" (reliability, supportability, maintainability, etc.) must be considered. The system configuration is

an agreed-to description (an approved and released document or a set of documents) of the attributes of a product, at a point in time, which serves as a basis for defining change.

Test and Evaluation.

The adequacy and capability of the test and evaluation program to assess attainment of significant performance specifications and determine whether the system is operationally effective, operationally suitable, and interoperable.

Modeling and Simulation (M&S). *The adequacy and capability of M&S to support all life-cycle phases of a program using verified, validated, and accredited models and simulations.*

Technology. *The degree to which the technology proposed for the program has demonstrated sufficient maturity to be realistically capable of meeting all of the program's objectives*

Logistics. *The ability of the system configuration and associated documentation to achieve the program's logistics objectives based on the system design, maintenance concept, support system design, and availability of support data and resources.*

Reduction/Facilities. *The ability of the system configuration to achieve the program's production objectives based on the system design, manufacturing processes chosen, and availability of manufacturing resources (repair resources in the sustainment phase).*

Concurrency. *The sensitivity of the program to uncertainty resulting from the combining or overlapping of life-cycle phases or activities.*

Industrial Capabilities. *The abilities, experience, resources, and knowledge of the contractors to design, develop, manufacture, and support the system.*

Cost. *The ability of the system to achieve the program's life-cycle support objectives.*

This includes the effects of budget and affordability decisions and the effects of inherent errors in the cost estimating technique(s) used (given that the technical requirements were properly defined and taking into account known and unknown program information).

Management. *The degree to which program plans and strategies exist and are realistic and consistent. The government's acquisition and support team should be qualified and sufficiently staffed to manage the program.*

Schedule. *The sufficiency of the time allocated for performing the defined acquisition tasks. This factor includes the effects of programmatic schedule decisions, the inherent errors in schedule estimating, and external physical constraints.*

External Factors. *The availability of government resources external to the program office that are required to support the program such as facilities, resources, personnel, government furnished equipment, etc.*

Budget. *The sensitivity of the program to budget variations and reductions and the resultant program turbulence.*

Earned Value Management System. *The adequacy of the contractor's EVM process*

And the realism of the integrated baseline for managing the program. Developers' engineering and manufacturing processes that historically have caused the most difficulty during the development phases of acquisition programs are frequently termed critical risk processes. These processes include, but are not limited to, design, test and evaluation, production, facilities, logistics, and management.

Additional areas, such as manpower, ESOH, and systems engineering, that are analyzed during program plan development provide indicators for additional risk.

The program office should consider these areas for early assessment, since failure to do so could cause significant consequences in the program's latter phases.

5. Why is it important to plan for risk in execution of any project?

Risk management is a key element of a PM's executive decision-making. DoD risk management is based on the principles that risk management must be forward-looking, structured, continuous,

and informative. The key to successful risk management is early planning, resourcing, and aggressive execution.

Good planning enables an organized, comprehensive, and iterative approach for managing root causes. Networking within government and industry to extract the best ideas, techniques, methods, and information can only help teams seeking to improve their implementation of risk management.

Risk Planning

Risk planning is the activity of developing and documenting an organized, comprehensive, and interactive strategy and methods for identifying and tracking root causes, developing risk- mitigation plans, performing continuous risk assessments to determine how risks and their root causes have changed, and assigning adequate resources.

Risk planning is the detailed formulation of a program of action for the management of root causes. Risk planning, and the resultant plan, should answer the questions: “who, what, where, when, and how.” It is the activity to:

- ☐ *Ensure the principles of this guide are applied to the program;*
- ☐ *Develop and document an organized, comprehensive, and interactive risk management plan;*
- ☐ *Determine the methods to be used to execute a PM's Risk Management Plan (RMP);*
and
- ☐ *Plan for adequate resources, including personnel.*

Risk planning is iterative, and includes describing and scheduling the tasks for risk identification, risk analysis, risk mitigation planning, resourcing, risk mitigation plan implementation, and risk tracking throughout a program’s life cycle. Since

contractor abilities to develop and manufacture the system affect program risks, the contractor should be considered a valuable partner in risk planning. The result is the RMP.

Risk Management Plan

The program office should establish the basic approach and working structure it will use and document that approach in a RMP. A comprehensive and consistent approach ensures all aspects of the program are examined for risk. The RMP is integral to overall program planning and the program IMP, and/or the SEP, or it may be a stand-alone document, as long as the activities are integrated and consistent.

Planning begins by developing and documenting a risk management strategy. Early efforts establish the purpose and objective, assign responsibilities for specific areas, identify additional technical expertise needed, describe the assessment process and areas to consider, delineate considerations for mitigation planning, define a rating scheme, dictate the reporting and documentation needs, and establish report requirements. This planning should also address evaluation of the capabilities of potential sources as well as early industry involvement. The PM's strategy to manage root causes provides the program team with direction and a basis for planning.

Risk planning consists of the upfront activities needed for a successful risk management program. At the end of each acquisition phase, risk planning is the heart of the preparation for the next phase. Initially formalized during Concept Refinement or other first-phase planning, and updated for each subsequent acquisition phase in all increments of the program, the risk management process should be reflected in the program SEP and in the technology development, acquisition, and support strategies.

These strategies, along with requirement and threat documents, and system and program characteristics, are sources of information for the program office to use in developing the RMP. The RMP tells the government and contractor team how to get from where the program is today to where the PM wants it to be in the future. The key to writing a good plan is to provide the necessary information so

The program team knows the goals, objectives, and the program office's risk management process. Although the plan may be specific in some areas, such as the assignment of responsibilities for government and contractor participants and definitions, it may be general in other areas to allow users to choose the most efficient way to proceed.

For example, a description of techniques that suggests several methods for evaluators to use to

Assess risk is appropriate, since every technique may have advantages and disadvantages depending on the situation.

As a program transitions through developmental and operational testing, and then to the end users during sustainment, a program RMP should be structured to identify, assess, and mitigate risks that have an impact on overall program life-cycle cost, schedule, and/or performance.

The RMP should also define the overall program approach to capture and manage root causes. Risks that are safety related are outside the scope of this guide and are managed in accordance with MIL-STD-882D as the PM directs.

An example RMP format summary may include:

- ☐ *Introduction*
- ☐ *Program Summary*
- ☐ *Risk Management Strategy and Process*
- ☐ *Responsible/Executing Organization*
- ☐ *Risk Management Process and Procedures*
- ☐ *Risk Identification*
- ☐ *Risk Analysis*
- ☐ *Risk Mitigation Planning*
- ☐ *Risk Mitigation Implementation*
- ☐ *Risk Tracking*

Normally, documentation and reporting procedures are defined as part of the risk management process planning before contract award, but they may be added or modified during contract execution as long as the efforts remain within the scope of the contract or are approved as part of a contract change.

The intent of risk mitigation (plan) execution is to ensure successful risk mitigation occurs. It answers the question “How can the planned risk mitigation be implemented?” It:

- ☐ *determines what planning, budget, and requirements and contractual changes are needed,*
- ☐ *provides a coordination vehicle with management and other stakeholders,*
- ☐ *directs the teams to execute the defined and approved risk mitigation plans,*
- ☐ *Outlines the risk reporting requirements for on-going monitoring, and*
- ☐ *Documents the change history.*

Tasks

Risk assessment (identification and analysis) is accomplished by risk category. Each risk category (e.g., performance, schedule, and cost) includes a core set of assessment tasks and is related to the other two categories. These interrelationships require supportive analysis among

Areas to ensure the integration of the assessment. Implementing risk mitigation should also be accomplished by risk category, and it is important for this process to be worked through the IPT structure, requiring the IPTs at each WBS level to scrub and endorse the risk mitigations of lower levels.

It is important to mitigate risk where possible before passing it up to the next WBS level. In addition, each IPT must communicate potential cost or schedule growth to all levels of management. It is imperative that the Systems Engineer and PM understand and approve the mitigation plan and examine the plan in terms of secondary, unforeseen impacts to other elements of the program outside of the risk owning IPT.

As part of this effort, the IPTs should ensure effective mitigation plans are implemented and ongoing results of the risk management process are formally documented and briefed, as appropriate, during program and technical reviews.

When determining that it may be appropriate to lower the consequence of a risk, careful consideration should be given to the justification for doing so, including identifying exactly what about the risk has changed between the time of the original consequence assessment and the current risk state to justify such a reassessment.

Risk Tracking

The intent of risk tracking is to ensure successful risk mitigation. It answers the question “How are things going?” by:

- ☐ *Communicating risks to all affected stakeholders,*
- ☐ *Monitoring risk mitigation plans,*
- ☐ *Reviewing regular status updates,*
- ☐ *Displaying risk management dynamics by tracking risk status within the Risk Reporting*

- *Alerting management as to when risk mitigation plans should be implemented or adjusted.*

Risk tracking activities are integral to good program management. At a top level, periodic program management reviews and technical reviews provide much of the information used to identify any performance, schedule, readiness, and cost barriers to meeting program objectives and milestones.

Risk tracking documents may include: program metrics, technical reports, earned value reports, watch lists, schedule performance reports, technical review minutes/reports, and critical risk processes reports.

An event's likelihood and consequences may change as the acquisition process proceeds and updated information becomes available. Therefore, throughout the program, a program office should reevaluate known risks on a periodic basis and examine the program for new root causes. Successful risk management programs include timely, specific reporting procedures tied to effective communication among the program team.

Tasks

Risk tracking is the activity of systematically tracking and evaluating the performance of risk mitigation actions against established metrics throughout the acquisition process. It feeds information back into the other risk activities of identification, analysis, mitigation planning, and mitigation plan implementation as shown in Figure 1.

The key to the tracking activity is to establish a management indicator system over the entire program. The PM uses this indicator system to evaluate the status of the program throughout the life cycle. It should be designed to provide early warning when the likelihood of occurrence or the severity of consequence exceeds pre-established thresholds/limits or is trending toward exceeding pre-set thresholds/limits so timely management actions to mitigate these problems can be taken.

The program office should re-examine risk assessments and risk mitigation approaches concurrently. As the system design matures, more information becomes available to assess the degree of risk inherent in the effort. If the risk changes significantly, the risk mitigation approaches should be adjusted accordingly. If the risks are found to be lower than previously assessed, then specific risk mitigation actions may be reduced or canceled and the funds

Reprogrammed for other uses. If they are higher, or new root causes are found, appropriate risk mitigation efforts should be implemented.

In addition to reassessing (identifying and analyzing) risks, the program office should look for new risk mitigation options. Alternative technologies may mature; new products may become available in the market place, or may be information found in unexpected place.

6. *What can be a source of conflicts in a team and how can the same be solved*

A team is a particular type of group: a cohesive coalition of people working together to achieve mutual goals. Being on a team does not equate to a total suppression of personal agendas, but it does require a commitment to the vision and involves each individual working toward accomplishing the team's objective.

Therefore the following are the source of conflict in project team;

- ❖ *Diversity of disciplinary expertise.*
- ❖ *Task interdependency*
- ❖ *Poor leadership by the project manager*
- ❖ *Insufficient authority given to the project manager*
- ❖ *Lack of communication or an understanding of objectives.*
- ❖ *Lack of organization structures and role ambiguity.*
- ❖ *Human emotion.*
- ❖ *The prospect of change.*

A very common cause of conflict in a project environment can occur in the relationship between manager and functional manager. This relationship needs to be open, communicative and focused (a relationship based upon negotiation and understanding).

7. *Give some ideas citing relevant examples for successful and better project teams*

Effective teams give companies a significant competitive advantage. In a high-functioning team, the sum is truly greater than the parts. Team members not only benefit from one another's diverse experiences and perspectives but also stimulate each other's creativity. Plus, for many people, working in a team can be more fun than working alone. Let's take a closer look at what a team is, the different team characteristics, types of teams companies use, and how to design effective teams.

A team is a particular type of group: a cohesive coalition of people working together to achieve mutual goals. Being on a team does not equate to a total suppression of personal agendas, but it does require a commitment to the vision and involves each individual working toward accomplishing the team's objective. Teams differ from other types of groups in that members are focused on a joint goal or product, such as a presentation, discussing a topic, writing a report, creating a new design or prototype, or winning a team Olympic medal. Moreover, teams also tend to be defined by their relatively smaller size. For instance, according to one definition, "A team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they are mutually accountable,"

The purpose of assembling a team is to accomplish larger, more complex goals than what would be possible for an individual working alone or even the simple sum of several individuals working independently. Teamwork is also needed in cases where multiple skills are tapped or where buy-in is required from several individuals. Teams can, but do not always, provide improved performance.

Working together to further a team agenda seems to increase mutual cooperation between what are often competing factions. The aim and purpose of a team is to perform, get results, and achieve victory in the workplace. The best managers are those who can gather together a group of individuals and mold them into an effective team.

*The key properties of a true team include **collaborative action** where, along with a common goal, teams have collaborative tasks. Conversely, in a group, individuals are responsible only for their own area. They also share the rewards of strong team performance with their **compensation based on shared outcomes**. Compensation of individuals must be based primarily on a shared outcome, not individual performance. Members are also willing to **sacrifice for the common good** in which individuals give up scarce resources for the common good instead of competing for those resources. For example, teams occur in sports such as soccer and basketball, in which the individuals actively help each other, forgo their own chance to score by passing the ball, and win or lose collectively as a team.*

THE END