Lab: Create a Risk Matrix

Estimated duration: 30 minutes

Objectives

- Identify the top risks from the risk register

- Map the risks in a risk matrix

Prerequisites

1. You must have Microsoft Office or Microsoft 365 apps installed on your computer or have access to the free web version of Microsoft 365.

2. You should have completed **Develop Risk Register** lab based on a scenario as you will be referring to the completed risk register.

Scenario Recap

Lydia is managing an office renovation project. A vendor has been hired to renovate an office space of approximately 16,000 square feet. Lydia has hired 95 people. The company made arrangements for about 50 employees to work from home during this renovation. The vendor will need to partition off the workspace from the construction area to accommodate the 45 employees who will need to occupy the office during the renovation.

The renovation will replace all worn carpets, paint the entire office space, replace old cube work areas, and create a combination of private work areas and open space work areas. About twenty additional electrical outlets will be included.

The company is housed on the second and third floor of a large building in a busy office park. There are times when customers come to the office for assistance. At this time, only a small meeting room available for customer meetings. This accommodation will need to be planned.

The CEO, Garcia Nandi, has set an aggressive schedule. She wants work to begin within the next two days and complete the renovation within 60 days. Lydia feels this schedule will be difficult to meet but is committed to seeing the project through. Lydia has been assigned two core team members to help her with planning. One team member is new to the company. The other team member is an experienced facility manager with a track record of managing several successful renovations in the past.

Budget is not a constraint. When asked about budget limits, the CEO replied, "**Whatever it takes**."

Exercise

Step 1: Review the risk register you developed as a team. If, for some reason, you do not have a risk register, use the following details.

Project: Office Renovation Project
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#	Cause	Event	Impact	Risk Owner	Category	Probability Risk Rating	Impact Risk Rating	Risk Score	Trigger	Response
1	Vendor	Low Commitment Low Quality Work	Schedule Slips Budget Overages	Vendor Manager	Threat	2	5	10	Schedule Slips Defects	Careful Source Selection
2	Working from Home	Productivity Reduced	Daily Workload Delays	HR	Threat	2.5	3.5	8.75	Missed Deadlines	Working from Home Training
3	Construction Proximity	Noise Work Disruptions	Lost Productivity	QC	Threat	3	3	9	Worker Complaints	QC Partition Plans
4	Environmental	Dust and Fibers	Employee Health Suffers	Environmental	Threat	4	4	16	Sick Days	Ensure Proper Filtration
5	Permits	Delays	Schedule Slips	Electrical	Threat	1	3	3	Permits Delayed	Request Early
6	Customer Traffic	Enter Construction Area	Injury Risk	HR	Threat	1	5	5	Observation	Directional Signs
7	Location	Stair Hazard	Safety Incidents	Environmental	Threat	2	4.5	9	Incident Reports	Designated Crew Elevator
8	Aggressive Schedules	Compressed Milestones	Schedule Slippage	PM	Threat	4	5	20	Milestones Not Met	Ensure Adequate Resources
9	Team Skill Sets	Experienced Facility Manager	Rapid Issue Resolution	PM	Opportunity	3	-3.5	-10.5	None	Incentives
10	Budget	No Constraints	Adequate Resources	Finance	Opportunity	5	-5	-25	None	Plan Resources Carefully
	Total Risk Score							45.25		

Step 2: Download the **Risk Matrix Template**. This template contains three tabs, one for threat risk matrix, another for Opportunities risk matrix, and a third that shows an example that will help you fill the risk matrix.
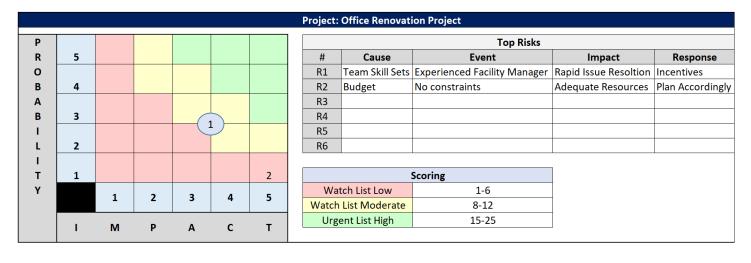
Keeping the CTRL key pressed, click here to download the **Risk Matrix** template.

Note: Use the COMMAND key instead of CTRL on Mac systems.

Step 3: Complete a risk matrix to highlight at least the top six risks on your risk register.

Notes:

1. If you document opportunities, remember that the color codes are reversed. You will require two separate matrices.

2. There may be times when a risk probability or impact is not a whole number. It is not unusual to classify probability or impact as 2.5, 3.5, and so on. When this is the case, show the probability and impact on the risk matrix as displayed in the example.

3. Green coding shows an urgent opportunity that should be pursued.

Project: Office Renovation Project

Top Risks

#	Cause	Event	Impact	Response
R1	Team Skill Sets	Experienced Facility Manager	Rapid Issue Resoltion	Incentives
R2	Budget	No constraints	Adequate Resources	Plan Accordingly
R3				
R4				
R5				
R6				

Scoring	
Watch List Low	1-6
Watch List Moderate	8-12
Urgent List High	15-25

PROBABILITY / IMPACT matrix with axis labels P R O B A B I L I T Y (vertical, values 5, 4, 3, 2, 1) and I M P A C T (horizontal, values 1, 2, 3, 4, 5). Marker "1" plotted in the matrix; value "2" in row 1.

Potential Solution

After completing the exercise, you can refer to the **Potential Solution** document to compare the potential improvements listed in this document with your responses. Keeping the CTRL key pressed, click **here** to view or download the **Potential Solution** document.

Note: Use the COMMAND key instead of CTRL on Mac systems.