

## Module 4 Summary and Highlights: Introduction to Project Risk Management

Congratulations! You have completed this module. At this point in the course, you know:

- The need for an effective project risk management lifecycle and the roles and responsibilities essential to project risk management success.
- The definition of risk and uncertainty in projects. We defined known versus unknown risks and the difference between risks and issues. The project manager should identify both opportunities and threats. Threats can impact the project baseline negatively, while opportunities can enhance project baseline performance. Effective risk management requires attention to both risk categories.
- Model risk metalanguage to document risks and how to distinguish between a cause, event, and impact. Risk metalanguage tells a story, is easy to understand, and allows for actionable responses.
- The purpose of SWOT analysis and how a project manager can use a SWOT analysis to identify opportunities and threats. SWOT is a proven method to identify risk causes and potential events and impacts that follow.
- The purpose and contents of a risk management plan, and you can explain traditional ratings for probability and impact. You can describe contingency reserves and management reserves.
- How to illustrate an example of a risk register and describe a risk trigger and a risk breakdown structure (RBS). We summarized qualitative risk analysis and explained the concept of risk exposure and risk score. The risk register is the primary tool project managers use to identify and manage risks by analyzing each risk and understanding how it impacts the project.

## Module 4 Glossary: Introduction to Project Risk Management

Welcome! This alphabetized glossary contains many terms in Module 4 of this course. This comprehensive glossary also includes additional industry-recognized terms not used in course videos. These terms are essential for you to recognize when working in the industry, participating in user groups, and participating in other certificate programs.

Term	Definition	Video/Reading where the term is introduced
<b>Definitions of Probability and Impact</b>	Key risk management plan component. Defines scale to score potential risk probabilities and impact	Risk Management Planning
<b>Identify Risk</b>	Document risks in the risk register	Project Risk Management Overview

## Module 4 Summary and Highlights: Introduction to Project Risk Management

Congratulations! You have completed this module. At this point in the course, you know:

- The need for an effective project risk management lifecycle and the roles and responsibilities essential to project risk management success.
- The definition of risk and uncertainty in projects. We defined known versus unknown risks and the difference between risks and issues. The project manager should identify both opportunities and threats. Threats can impact the project baseline negatively, while opportunities can enhance project baseline performance. Effective risk management requires attention to both risk categories.
- Model risk metalanguage to document risks and how to distinguish between a cause, event, and impact. Risk metalanguage tells a story, is easy to understand, and allows for actionable responses.
- The purpose of SWOT analysis and how a project manager can use a SWOT analysis to identify opportunities and threats. SWOT is a proven method to identify risk causes and potential events and impacts that follow.
- The purpose and contents of a risk management plan, and you can explain traditional ratings for probability and impact. You can describe contingency reserves and management reserves.
- How to illustrate an example of a risk register and describe a risk trigger and a risk breakdown structure (RBS). We summarized qualitative risk analysis and explained the concept of risk exposure and risk score. The risk register is the primary tool project managers use to identify and manage risks by analyzing each risk and understanding how it impacts the project.

## Module 4 Glossary: Introduction to Project Risk Management

Welcome! This alphabetized glossary contains many terms in Module 4 of this course. This comprehensive glossary also includes additional industry-recognized terms not used in course videos. These terms are essential for you to recognize when working in the industry, participating in user groups, and participating in other certificate programs.

Term	Definition	Video/Reading where the term is introduced
<b>Definitions of Probability and Impact</b>	Key risk management plan component. Defines scale to score potential risk probabilities and impact	Risk Management Planning
<b>Identify Risk</b>	Document risks in the risk register	Project Risk Management Overview

## Module 4 Summary and Highlights: Introduction to Project Risk Management

Congratulations! You have completed this module. At this point in the course, you know:

- The need for an effective project risk management lifecycle and the roles and responsibilities essential to project risk management success.
- The definition of risk and uncertainty in projects. We defined known versus unknown risks and the difference between risks and issues. The project manager should identify both opportunities and threats. Threats can impact the project baseline negatively, while opportunities can enhance project baseline performance. Effective risk management requires attention to both risk categories.
- Model risk metalanguage to document risks and how to distinguish between a cause, event, and impact. Risk metalanguage tells a story, is easy to understand, and allows for actionable responses.
- The purpose of SWOT analysis and how a project manager can use a SWOT analysis to identify opportunities and threats. SWOT is a proven method to identify risk causes and potential events and impacts that follow.
- The purpose and contents of a risk management plan, and you can explain traditional ratings for probability and impact. You can describe contingency reserves and management reserves.
- How to illustrate an example of a risk register and describe a risk trigger and a risk breakdown structure (RBS). We summarized qualitative risk analysis and explained the concept of risk exposure and risk score. The risk register is the primary tool project managers use to identify and manage risks by analyzing each risk and understanding how it impacts the project.

## Module 4 Glossary: Introduction to Project Risk Management

Welcome! This alphabetized glossary contains many terms in Module 4 of this course. This comprehensive glossary also includes additional industry-recognized terms not used in course videos. These terms are essential for you to recognize when working in the industry, participating in user groups, and participating in other certificate programs.

Term	Definition	Video/Reading where the term is introduced
<b>Definitions of Probability and Impact</b>	Key risk management plan component. Defines scale to score potential risk probabilities and impact	Risk Management Planning
<b>Identify Risk</b>	Document risks in the risk register	Project Risk Management Overview

<b>Term</b>	<b>Definition</b>	<b>Video/Reading where the term is introduced</b>
<b>Impact</b>	The effect on a project if a risk occurs	Project Risk Management Overview
<b>Implement Risk Responses</b>	The process of identifying when a risk is happening and implementing risk responses	Project Risk Management Overview
<b>Issue</b>	A risk that occurs which requires management and solution	Risk Defined
<b>Known Risk</b>	A risk that the team identifies and documents on the project risk register	Risk Defined
<b>Monitor Risks</b>	The process of performing periodic risk reassessments	Risk Management Planning
<b>Opportunity</b>	A positive risk	Risk Defined
<b>Perform Qualitative Risk Analysis</b>	Process of evaluating each risk by analyzing the probability times the impact on calculating a risk score	Risk Register Demo
<b>Perform Quantitative Risk Analysis</b>	Process of evaluating risk using mathematical methods to adjust probability times impact and the overall risk score	Risk Register Demo
<b>Plan Risk</b>	Process of developing and distributing the risk management plan	Project Risk Management Overview
<b>Plan Risk Responses</b>	The process of developing specific responses for each identified risk	Project Risk Management Overview
<b>Probability</b>	The potential for a risk to occur	Risk Management Planning
<b>Probability and Impact Matrix</b>	A key risk management plan component that defines how the team will manage various levels of risk using a risk score	Risk Management Planning

Term	Definition	Video/Reading where the term is introduced
<b>Project Risk Management</b>	A five-step risk management methodology that includes planning, identifying, evaluating, responding, and controlling steps	Risk Defined
<b>Risk</b>	Any potential event, positive or negative, can impact a project	Project Risk Management Overview
<b>Risk Appetite</b>	A degree of uncertainty an organization is willing to accept in anticipation of a reward	Customer & Stakeholder Interaction
<b>Risk Breakdown Structure</b>	A hierarchical list of risks derived from past projects' lessons learned that could potentially impact a project	Risk Management Planning
<b>Risk Exposure</b>	The aggregate risk scores of all risks impacting a project	Risk Register Demo
<b>Risk Management Plan</b>	A plan that defines the end-to-end project risk management approach for a project	Project Risk Management Overview
<b>Risk Metalanguage</b>	A proven method to define a risk that uses cause-event-impact terminology	Project Risk Management Overview
<b>Risk Owner</b>	A team member assigned to manage an individual risk from project start through closure	Project Risk Management Overview
<b>Risk Register</b>	A complete register of known risks that may impact a project	Project Risk Management Overview
<b>Risk Response</b>	A measure a manager takes to address the impact of a risk	Project Risk Management Overview
<b>Risk Score</b>	The product of probability times impact	Risk Management Planning
<b>Risk Threshold</b>	A level of risk exposure above which risks are addressed and below which risks are accepted	Customer & Stakeholder Interaction
<b>Risk Trigger</b>	An early warning that a risk is about to occur. The warning triggers a risk response	Risk Register Demo

Term	Definition	Video/Reading where the term is introduced
<b>SWOT</b>	A risk identification tool that stands for Strengths, Weaknesses, Opportunities, and Threats	SWOT Analysis Demo
<b>Threat</b>	A negative risk	Risk Defined
<b>Unknown Risk</b>	A risk that the team has yet to identify	Risk Defined
<b>Urgent List</b>	A list of risks and management details for risks above a defined threshold when measured by probability times impact	Risk Management Planning
<b>Watch List</b>	A list of risks and management details for risks below a defined threshold when measured by probability times impact	Risk Management Planning