Risk Management Plan

for

Bakery Management System

Version 1.0 approved

Prepared by Group 4

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Revision History

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| --- | --- | --- | --- |
| **Name** | **Date** | **Reason For Changes** | **Version** |
|  |  | initial draft | 1.0 draft1 |

# Purpose

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|  | This document outlines the procedures for managing risks in the bakery management system project. It defines the roles and responsibilities of participants, describes the risk management activities to be undertaken, provides the schedule and budget for these activities, and identifies the tools and techniques to be used. The goal is to proactively identify, assess, and mitigate risks to ensure the project's successful completion. |
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# Roles and Responsibilities

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| Project Manager | The Project Manager will assign a Risk Officer to the Bakery Management System (BMS) project and identify this individual on the project’s organization chart. The Project Manager and other members of the Project Management team (e.g., Lead Developer, Operations Manager, Quality Assurance Lead) shall meet biweekly to review the status of all risk mitigation efforts, assess exposure for any new risk items, and update the project's Top Ten Risk List. |
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| Risk Officer | The Risk Officer has the following responsibilities and authority:   * Coordinate risk identification and analysis activities. * Maintain the project’s risk list, ensuring it is up-to-date and comprehensive. * Notify project management of new risk items promptly. * Report risk resolution status to management regularly. * Ensure effective communication and documentation of all risk-related activities.   The Risk Officer should not be the Project Manager to ensure independence and focus on risk management. |
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| Project Member Assigned a Risk | Each newly identified risk will be assigned to a project member by the Risk Officer. The assigned project member will:   * Assess the exposure and probability of the risk factor. * Report the results of their analysis back to the Risk Officer. * Execute the steps outlined in the mitigation plan. * Report progress on mitigation efforts to the Risk Officer biweekly.   By clearly defining these roles and responsibilities, the Bakery Management System project aims to ensure a structured and proactive approach to risk management, contributing to the project's overall success. |
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# Risk Documentation

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| **Risk List** | The risk factors identified and managed for the Bakery Management System (BMS) project will be accumulated in a risk list, which is located in a dedicated section of the project management tool used by the team (e.g., Jira, Trello) and documented in an appendix to this plan. The ten risk items that currently have the highest estimated risk exposure are referred to as the project’s Top Ten Risk List. |
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| **Risk Data Items** | The following information will be stored for each project risk:   * **Risk ID**: A unique identifier for the risk. * **Classification**: Category of the risk (e.g., technical, operational, financial). * **Description**: A detailed explanation of the risk. * **Probability**: The likelihood of the risk occurring (e.g., high, medium, low). * **Impact**: The potential effect on the project if the risk occurs (e.g., high, medium, low). * **Risk Exposure**: A combination of probability and impact to determine the overall risk level. * **First Indicator**: The initial sign that the risk is becoming a problem. * **Mitigation Approaches**: Strategies and actions to reduce the likelihood or impact of the risk. * **Owner**: The individual responsible for managing the risk. * **Date Due**: The deadline for implementing mitigation actions. * **Contingency Plan**: An alternative plan if the risk materializes. * **Contingency Plan Trigger**: Specific conditions or events that will activate the contingency plan. |
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| **Closing Risks** | A risk item can be considered closed when it meets the following criteria:   * The planned mitigation actions have been completed. * The estimated risk exposure, calculated as probability times impact, is less than 2. |
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# Activities

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| Risk Identification | Task | Participants |
|  | The following techniques will be used to identify risk factors at the beginning of the Bakery Management System (BMS) project and on an ongoing basis:   * Conducting formal risk assessment workshops at project kickoff and at the start of each major project phase. * Holding brainstorming sessions with the project team and key stakeholders. * Conducting interviews with project members and stakeholders at the beginning of each lifecycle phase. * Using an anonymous form available on the project’s intranet site for team members to submit potential risk factors. * Reviewing consolidated lists of common risks from similar projects to identify candidate risks. | Project Manager, Risk Officer, Project Team Members, Key Stakeholders |

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| Risk Analysis and Prioritization | Task | Participants |
|  | The Risk Officer will assign each identified risk factor to an individual project member, who will estimate the probability (on a scale of 0.1 to 1.0) that the risk could become a problem and the impact (using a relative scale of 1 to 10 or in units of dollars or schedule days) if it does. | Assigned Project Member |
|  | The individual analyzed risk factors will be collected, reviewed, and adjusted if necessary. | Risk Officer |
|  | The list of risk factors will be sorted by descending risk exposure (probability times impact). | Risk Officer |

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| Risk Management Planning | Task | Participants |
|  | The top ten risks, or those risk factors having an estimated exposure greater than a defined threshold, will be assigned to individual project members for the development and execution of a risk mitigation plan. Alternatively, a group brainstorming session may be used to define mitigation plans for individual risk items and to assign responsibility to individuals. | Risk Officer |
|  | For each assigned risk factor, recommend actions that will reduce either the probability of the risk materializing into a problem or the severity of the exposure if it does. Return the mitigation plan to the Risk Officer. | Project Members |
|  | The mitigation plans for assigned risk items will be collated into a single list. The completed Top Ten Risk List will be created and made publicly available on the project’s intranet site. | Risk Officer |

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| Risk Resolution | Task | Participants |
|  | Each individual responsible for executing a risk mitigation plan will carry out the mitigation activities. | Assigned Individual |

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| Risk Monitoring | Task | Participants |
|  | The methods and metrics for tracking the project’s risk status over time will include regular updates to the risk list, progress tracking of mitigation actions, and periodic risk status reports to management. | Risk Officer |
|  | The status and effectiveness of each mitigation action will be reported to the Risk Officer every two weeks. | Assigned Individual |
|  | The probability and impact for each risk item will be reevaluated and modified if appropriate. | Risk Officer |
|  | Any newly identified risk items will be analyzed similarly to the original risk items and added to the risk list. | Risk Officer |
|  | The Top Ten Risk List will be regenerated based on the updated probability and impact for each remaining risk. | Risk Officer |
|  | Risk factors for which mitigation actions are not being effectively carried out, or whose risk exposure is rising, may be escalated to an appropriate level of management for visibility and action. | Risk Officer |

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| Lessons Learned | Task | Participants |
|  | If the project will store lessons learned about the mitigation of specific risks in a database, the process and timing for entering risk-related lessons into the database will be described. This database will help inform future projects and improve risk management practices. | Risk Officer |

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# Schedule for Risk Management Activities

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| Risk Identification | A risk workshop will be held on approximately August 1, 2024. |
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| Risk List | The prioritized risk list will be completed and made available to the project team by approximately August 8, 2024. |
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| Risk Management Plan | The risk management plan, including mitigation, avoidance, or prevention strategies for the top ten risk items, will be completed by approximately August 15, 2024. |
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| Risk Review | The Risk Management Plan and initial Top Ten Risk List will be reviewed and approved by the Project Manager on approximately August 22, 2024. |
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| Risk Tracking | The status of risk management activities and mitigation success will be revisited as part of the gate exit criteria for each lifecycle phase. The risk management plan will be updated at that time. If the project is tracking cumulative risk exposure, that will be updated and reviewed during these times as well. The first review and update will occur on September 5, 2024, with subsequent reviews aligning with the end of each project phase. |
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# Risk Management Budget

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|  | A budget of $5,000 is allocated for managing the Bakery Management System (BMS) project’s risks. This budget covers the following expenses:   * Risk identification workshops and brainstorming sessions. * Software tools and licenses for risk management. * Training sessions for team members on risk management processes. * Resources for implementing risk mitigation strategies. * Contingency funds to address unforeseen risks. |
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# Risk Management Tools

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|  | To effectively manage risks for the BMS project, the following tools will be used:   * **Risk Management Software**: Jira will be utilized to document, evaluate, and track the status of risk items. This tool will facilitate collaboration among team members and ensure that all risks are visible and managed proactively. * **Risk Assessment Questionnaires**: Structured questionnaires will be used during risk identification sessions to ensure comprehensive coverage of potential risks. * **Risk Databases**: A dedicated risk database will be maintained to store information on identified risks, including their descriptions, probabilities, impacts, mitigation plans, and status updates. * **Reporting Tools**: Tools like Microsoft Excel and Jira’s built-in reporting features will be used to generate reports and charts depicting risk management activities and statuses. These reports will be reviewed during risk management meetings and shared with stakeholders. * **Lessons Learned Database**: A lessons learned database will be established to document insights and best practices from managing specific risks. This database will serve as a reference for future projects, helping to improve risk management processes over time. |
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# Appendix. Sample Risk Documentation Form

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| **Risk ID:** 001 | **Date Opened:** July 15, 2024 | | **Date Closed:** |
| **Submitter:** Luu The Vinh | | | |
| **Classification:** Operational - Supply Chain | | | |
| **Risk Statement:** Delay in ingredient deliveries – could result in production halts. | | | |
| **Scope of Impact:** Production team, inventory management, sales department | | | |
| **Probability:** 0.7 | **Impact:** 8 | | **Risk Exposure:** 5.6 |
| **First Indicator:** Late arrival of scheduled delivery or communication from suppliers about delays. | | | |
| **Risk Management Plan:**   Establish relationships with multiple suppliers for critical ingredients.   Maintain a buffer stock of key ingredients.   Implement a supplier performance tracking system. | | | |
| **Owner:** Tai Phat | | **Date Due:** August 1, 2024 | |
| **Contingency Plan:** Source emergency supplies from local vendors if delays exceed 48 hours; trigger contingency plan if a second consecutive delivery is late. | | | |

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| **Risk ID:** 002 | **Date Opened:** July 15, 2024 | | **Date Closed:** |
| **Submitter:** Luu The Vinh | | | |
| **Classification:** Technical - IT Systems | | | |
| **Risk Statement:** System outage – could lead to loss of sales and production data. | | | |
| **Scope of Impact:** IT department, sales team, production team. | | | |
| **Probability:** 0.4 | **Impact:** 9 | | **Risk Exposure:** 3.6 |
| **First Indicator:** System performance degradation or repeated minor outages. | | | |
| **Risk Management Plan:**   Implement regular system maintenance and updates.   Set up automatic backups and a disaster recovery plan.   Conduct regular system performance reviews. | | | |
| **Owner:** Tai Phat | | **Date Due:** July 30, 2024 | |
| **Contingency Plan:** Switch to a manual tracking system for sales and production data if outage exceeds 2 hours; trigger contingency plan if system performance issues are unresolved for over a week. | | | |

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| **Risk ID:** 003 | **Date Opened:** July 15, 2024 | | **Date Closed:** |
| **Submitter:** Luu The Vinh | | | |
| **Classification:** Financial - Budget Overruns | | | |
| **Risk Statement:** Budget overrun – could impact overall project timeline and deliverables. | | | |
| **Scope of Impact:** Finance team, project management team. | | | |
| **Probability:** 0.5 | **Impact:** 7 | | **Risk Exposure:** 3.5 |
| **First Indicator:** Expenditure reports showing higher than projected costs in any phase. | | | |
| **Risk Management Plan:**   Implement strict budget monitoring and control measures.   Review budget allocations monthly and adjust forecasts as necessary.   Identify areas for cost-saving and efficiency improvements. | | | |
| **Owner:** Le Duc Loc | | **Date Due:** August 5, 2024 | |
| **Contingency Plan:** Reallocate funds from less critical areas and seek additional funding if overruns exceed 10%; trigger contingency plan if budget projections are exceeded for two consecutive months. | | | |