

Assignment 8 - Project Risk management

RISK MANAGEMENT

Project Title: Infrastructure Transformation Project

Project Sponsor: CIO

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Project Manager: Amit Prabhakar

Project Customer: ABC Corp.

Top 10 Risks for Infrastructure Transformation Project

The team has identified the below list of risks prioritized based on severity and the impact it would have on the project scope, time and cost.

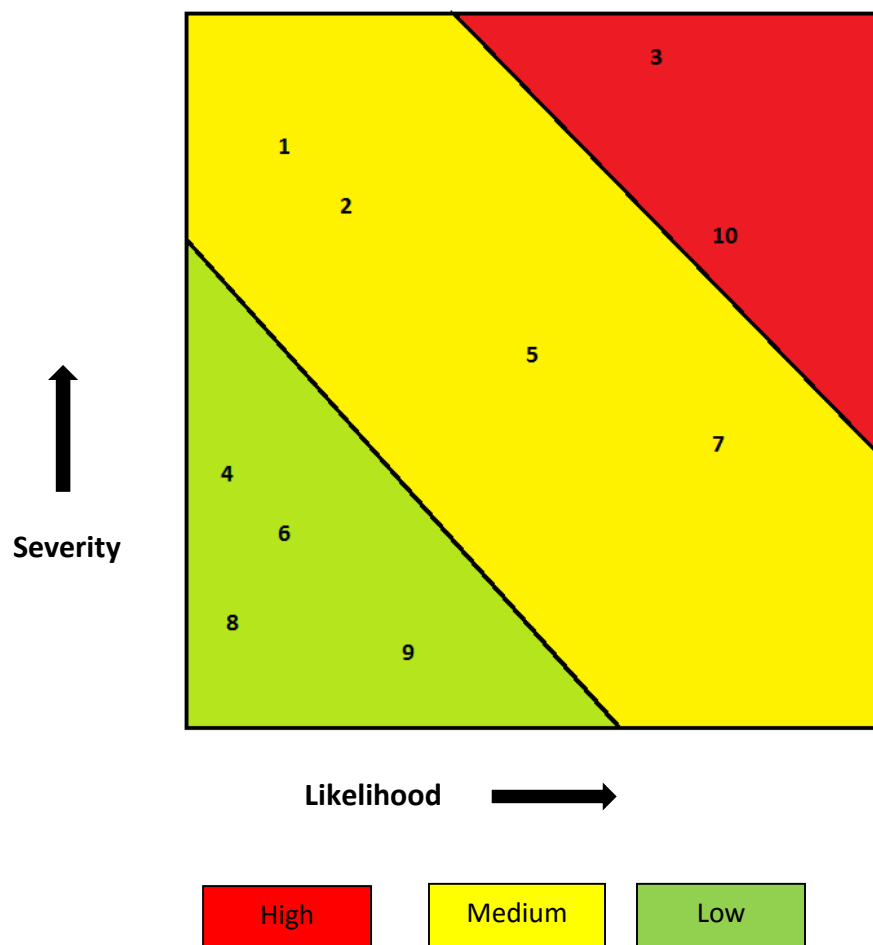
1. Change in management policy or strategy
2. Failure or delays in the implementation of new technology
3. Withdrawal of a partner
4. Delay in delivering the hardware and software on time
5. Services partner's inability to implement the new environment on time and under budget
6. Greater than anticipated resistance to the project
7. Budget cuts
8. Loss of project personnel due to attrition
9. Failure or delays to an interfacing project
10. Time and Cost overrun

Risk & Mitigation plan

The identified risks are categorized under high, medium and low based on severity and impact. The description of each risk category is as following:

- Low: Risk category having low likely hood of occurrence and minimal impact on the project outcome.
- Medium: Risk category having medium likely hood of occurrence and average impact on the project outcome.
- High: Risk category having high likely hood of occurrence and high impact on the project outcome.

The following risk matrix has been made taking into consideration the three risk categories defined above, where in each risk's serial number corresponds to the risk category it lies in is charted.



The identified risk, their potential causes and mitigation plan are detailed in the table below:

| SNo. | Risk | Severity | Potential Causes | Mitigation Plan |
|------|---|----------|---|--|
| 1. | Change in management policy or strategy | Medium | <ul style="list-style-type: none"> Change in top management Change in organizational objective Change in government policies | <ul style="list-style-type: none"> Take top management signoff before project is initiated with confirmation to the scope, time and cost associated with the project. We envisage minimal or no impact of change in government policies on the project as it focuses on the infrastructure for the 4 applications. |
| 2. | Failure or delays in the implementation of new technology | Medium | <ul style="list-style-type: none"> Change in technology New product launched by the product OEM (Original equipment manufacturer) Change in configuration of the hardware finalized for the project Change in software (version / features / modules) | <ul style="list-style-type: none"> An agreement with the hardware supplier to cover the cost of upgrade for the hardware BOQ (Bill of Quantity) An agreement with the software supplier to cover the cost of upgrade for the software BOQ |
| 3. | Withdrawal of partner | High | <ul style="list-style-type: none"> Partner going out of business Partner's inability to execute the order Dispute between supplier/partner and ABC Corp. Resource problem for the implementation partner OEM unable to supply the Products (Hardware/ Software) selected for the project Financial risk associated with currency conversion rate | <ul style="list-style-type: none"> Take utmost care while selecting partner - with good past record and clear visibility of business continuity for next ten years. Project scope is decided upon and finalized by both partner and ABC Corp. Partner is involved in finalization of Hardware and Software BOQ. Implementation partner selects the team for delivery of the project. |

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|----|--|--------|---|--|
| 4. | Delay in delivering the hardware / software on time | Low | <ul style="list-style-type: none"> • Delay in ordering the material from the OEM or the principal company • Discrepancy in BOQ of hardware or software • Delay in transportation • Damage during transportation • Wrong delivery of hardware or part of the BOQ | <ul style="list-style-type: none"> • The hardware and software BOQ is finalized along with the implementation partner • The hardware and software supply partner is selected considering reliability and dependability factors • Sufficient buffer time is considered as part of the project plan to factor for any delay associated with transportation or issues during transit • The supply partner is made responsible for the full delivery of the ordered BOQ on time |
| 5. | Services partner's inability to implement the new environment on time and under budget | Medium | <ul style="list-style-type: none"> • Service provider is not capable of delivering the scope defined for the project • Discrepancy on scope and timeline for the project • Delay in delivery of hardware and software • Resource related issues faced by services partner (attrition of partners resources) | <ul style="list-style-type: none"> • Service provider with proven capability of delivering similar project is chosen for the project • The scope and timelines for the delivery of the project is discussed and finalized with the selected service provider • Service provider is involved in the finalization of BOQ and delivery partner for hardware and software • Service provider is responsible for managing their resources and should factor for any issues related to resources |
| 6. | Greater than anticipated resistance to the project | Low | <ul style="list-style-type: none"> • Stakeholders do not agree to the project scope, time or cost • End users resist the project • Lack of support from the top management | <ul style="list-style-type: none"> • All stakeholders are taken into confidence before the project is kicked off. • The initiative is driven by top management with full support. • End users are made aware of the benefits of the project to gain their support and trust before and during the project phase |
| 7. | Budget cuts | Medium | <ul style="list-style-type: none"> • Budget cut | <ul style="list-style-type: none"> • The budget for the project was approved in the previous financial year and was integral part of this year's plan |

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| 8. | Loss of project personnel due to attrition | Low | <ul style="list-style-type: none"> Attrition | <ul style="list-style-type: none"> Resource allocation is carefully planned with at least two people per functional area to minimize risk associated with attrition Proper HR practices are in place to ensure employee satisfaction and retention |
| 9. | Failure or delays to an interfacing project | Low | <ul style="list-style-type: none"> Dependencies on other projects Dependencies with respect to different project phases | <ul style="list-style-type: none"> There is not linkage of this project with any other project. The different phases of the project are planned with sufficient buffer time so that any delay with respect to dependency could be avoided |
| 10. | Time, Cost overrun | High | <ul style="list-style-type: none"> Time over run Cost over run | <ul style="list-style-type: none"> The total time for the project has buffer time factored for each stage. The cost of the project is fixed with respect to hardware, software and implementation cost. Hardware, software and implementation are fixed price orders covering the total project scope and deliverables. |