

Practice Peer-graded Assignment: Activity: Create a risk management plan

Ready for the assignment?

You will find instructions below to submit.

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Activity Overview

Discussions

In this activity, you will create a risk management plan to help you identify and prepare for possible risks for the Plant Pals operations launch. After you submit your assignment, review and respond to **at least two** of your classmates' assignments.

Scenarioless

Review the scenario below. Then complete the step-by-step instructions.

As a project manager for Office Green, you are responsible for consulting with team members to identify potential risks for the Plant Pals operations launch. You determine that there are two main risks types you need to plan for:

- Going over the project **budget**
- Falling behind the training **schedule**

Your team identifies three possible risk scenarios for each category:

Budget Risks

Your team’s Fulfillment Director has identified three possible budgetary risks to mitigate:

Each delivery truck costs \$16,000 more than initially quoted. Your team estimates a 50% chance this risk will occur. If it does, Office Green would pay \$32,000 more than expected for their two delivery trucks.

A product vendor charges a higher rate than expected. Your team determines a 20%-25% chance this risk will occur. The budget impact would be approximately \$17,000.

A product vendor loses a product shipment. Your team estimates only a 5% chance this risk will occur. A lost shipment would cost over \$25,000.

Schedule Risks

Your training team is concerned that they could fall behind schedule when training Office Green’s employees, and highlighted three possible scheduling risks:

Your Training Manager gets sick and misses a week of training. Your team estimates a 5%-10% chance this risk will occur.

You cannot hire enough employees in time to train them before launch. Your team estimates a 20%-30% chance this risk will occur, and it could delay the project by over a month.

More than 50% of employees quit after a difficult training process, leaving the company short-staffed. Your team estimates only a 5% chance this risk will occur.

Step-By-Step Assignment Instructionsless


Step 1: Access the template

To use the template for this course item, click the link below and select “Use Template.”

Link to template: [Risk management plan](#)

OR

If you don’t have a Google account, you can download the template directly from the attachment below.

 [Activity Template_Risk management plan](#)
[DOCX File](#)

Step 2: Fill in the document details

At the top of the document, write your name (or simply “project manager”) next to **Author**. Then record the status of the plan next to **Status** (mark it as a draft for now).

Step 3: State the objective

Now consider the purpose of a risk management plan and what it is designed to do. Write a sentence or two summarizing this purpose under **Objective**.

Step 4: Write an executive summary

Write a 3-4 sentence introduction outlining the project goals and milestones, and include potential risks in the tables provided under **Executive Summary** in the template.

Step 5: List budget risks

Now go to the budgetary risk chart and add the three potential budgetary risks under **Scenario**.

Step 6. Assess the impact of each budget risk

Next, determine the inherent risk level of each budgetary risk. Remember that inherent risk is the measure of a risk calculated by its *probability* and *impact*. To do this, go to the **Appendix** section of the template:

First, consult the **Probability chart** to determine whether the risk has a low, medium, or high chance of occurring.

Next, use the **Impact chart** to identify whether each risk poses a low, medium, or high impact to finances, operations, or people.

Finally, use the **Probability and Impact Matrix** to calculate the inherent risk as low, medium, or high.

Enter the inherent risk rating under **Risk to project** in the budgetary risk chart. You can color-code the rating for clarity (green for low, yellow for medium, and red for high).

For example, in the first budgetary risk scenario the two delivery trucks cost more than initially estimated:

Your team estimates a 50% chance this risk will occur. According to the **Probability chart**, 50% is a high probability.

Your team estimates a \$32,000 overage. According to the **Impact chart**, \$32,000 is a high financial impact.

Because the probability and impact are both high, according to the **Probability and Impact Matrix**, the inherent risk is high.

Step 7: Develop mitigation plans for budget risk scenarios

Now that you’ve calculated inherent risk ratings, consider how to mitigate each risk. Remember, you can choose to deal with each risk in one of the following ways:

Avoid

Accept

Reduce or control

Transfer

Once you’ve decided how to handle each risk, write "avoid," "accept," "reduce or control," or "transfer" in the **Mitigation Plan** column. Then explain *how* you plan to deal with the risk. Be sure to consider all the options when developing your mitigation plans.

For example, imagine there is a risk that a vendor might not have the right plants in stock consistently. If the inherent risk level is low you could choose to monitor the situation and research alternative sources for particular plants. If the inherent risk level is high, you could choose to avoid it altogether by switching vendors.

Note: *Your mitigation plans will likely differ from those of your fellow learners. That’s okay—there are a lot of factors to account for and no one right way to deal with them.*

Step 8: Develop mitigation plans for schedule risk scenarios

Repeat **Steps 5-7** for the three schedule risks.

Pro Tip: Save the template

Finally, be sure to save a blank copy of the risk management template you used to complete this activity. You can use it for further practice or in your own personal or professional projects. These templates will be useful as you put together a portfolio of project management artifacts. You can use them to work through your thought processes as you demonstrate your experience to potential employers.

Review criteria

There are a total of 15 points for this activity. At least two of your peers will evaluate your risk management plan. Your final grade will be the median of these scores. You must get 12 out of 15 total points to pass.

Giving Good Feedback

Once you complete the activity, review and provide constructive feedback for at least two classmates. Below are some guidelines to help you leave constructive comments for your peers.

When giving feedback, consider:

Leading with positive feedback

Providing a balance of positive and actionable feedback

Sticking to information-specific, issue-focused, and observation-centered comments

Ready to submit your work? Head to the My Submission tab at the top of the page.