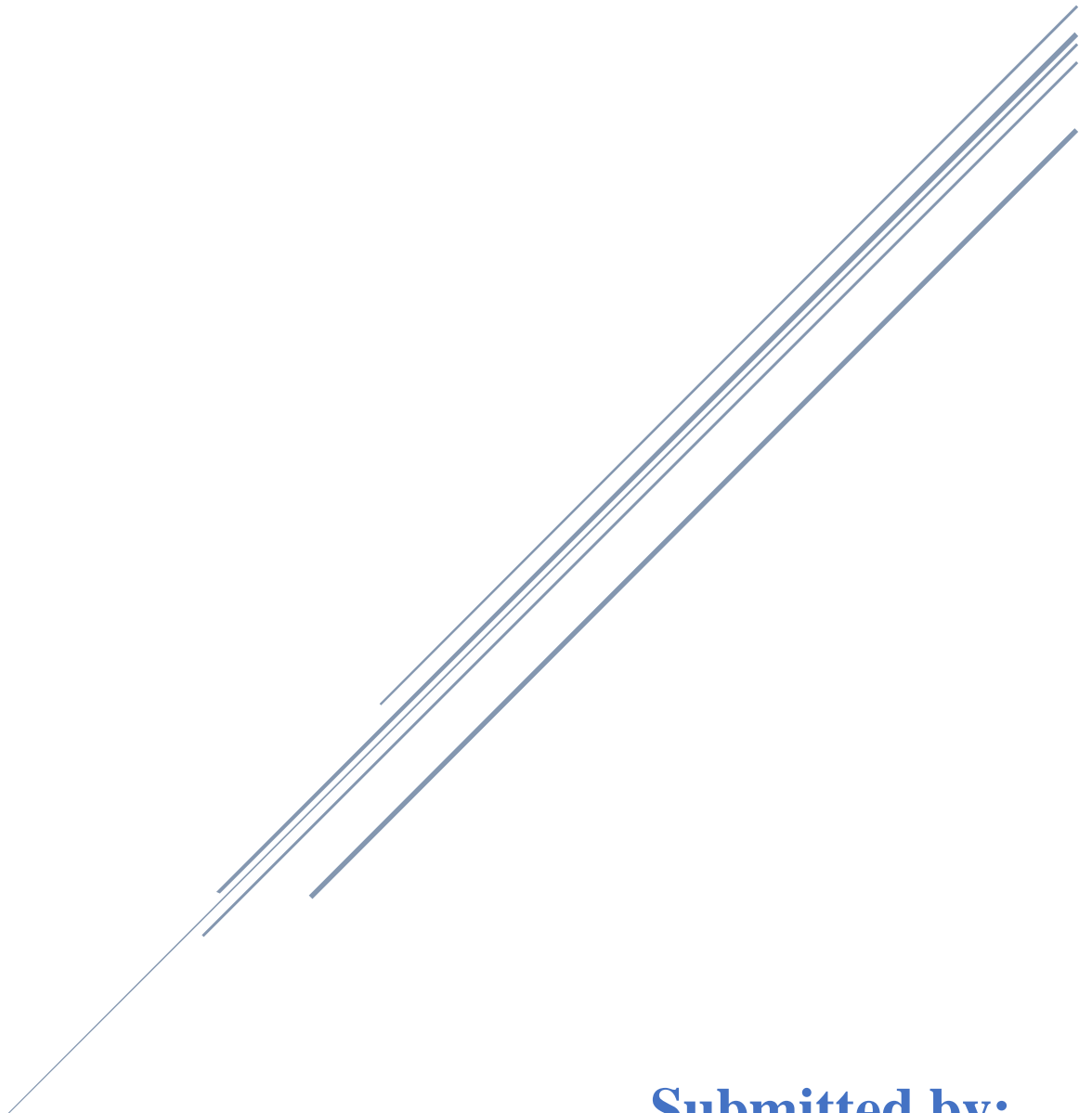


# PROJECT RISK MANAGEMENT

## Systems Migration Project, J.D. Monster Bank



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# Project Risk Management

**Top 10 risks associated with the Systems Migration Project for J.D. Monster Bank are as follows:**

**1. Technology components have security vulnerabilities**

One of the serious risks associated with this project, J.D. Monster Bank being in the banking sector, is security breach or loss of confidentiality of the systems. A huge amount of confidential data is associated with the banking system, loss of which will cause huge reputational as well as financial losses to J.D. Monster Bank.

**2. Lack of stakeholder support**

Too many stakeholders are involved in the Systems Migration Project. Starting from sponsor representatives to customer engagement strategists, the lack of support from even a single stakeholder can lead to huge delays in this project which has very strict deadlines.

**3. Conflict among stakeholders**

Different point of views regarding the various processes and technologies used in this project are bound to cause conflict among stakeholders which might disrupt the smooth functioning of the project.

**4. Scope Creep**

A project this huge tends to face scope creep issues as requirements tend to expand to incorporate all the planned changes.

**5. Learning curves lead to delays and cost overrun**

This project aims to shift from the mainframe system to a cloud based network, thus the technical staff involved in doing so needs to get a good understanding of the technology being used. However, learning a new technology requires a lot of time, effort, and additional expenses. Thus, this tends to introduce delays in project deliverables.

## **6. Inadequate training**

Learning a new technology involves good training. Inadequate training will not only increase inefficiency among the technical team, but ultimately result in project overruns.

## **7. Resource performance issues**

Even after adequate training, it is not always easy to come up with the best quality deliverables when dealing with a technology for the first time. Resources might have to deal with challenges they have never dealt before with, and continuous failures and inability to resolve problems, performance might be affected.

## **8. Inaccurate resource, time, and cost estimates**

This is a very common project risk which has huge impact on the project. A project which needs to meet strict deadlines like ours requires a lot of resources. However, it is difficult to accurately estimate the correct time, cost and resource requirements, which might in the end lead to project delivery delay.

## **9. Change Management Overload**

In an already complex project, many change requests tend to increase the complexity of the project.

## **10. Lack of proper documentation**

While dealing with a new technology, where there are huge dependencies across teams, proper documentation plays a very important role in making everyone's life easy. However, as mentioned before, the systems migration project has time constraints and due to this, there is a risk of poor documentation of what has been done and what needs to be done.

**Risk Log:**

The various risks along with their corresponding impact, likelihood and risk levels are as below. The scales have been defined as below:

**Impact:** 1 - Very High, 2 - High, 3 - Medium, 4 - Low, 5 - Very Low

**Likelihood:** 1- Unlikely, 2- Possible, 3- Likely, 4 – Almost certain

ID	Risk Name	Impact	Likelihood	Risk Level
1	Technology related issues	5	3	High Risk
2	Lack of Stakeholder support	4	2	Medium
3	Conflict among stakeholders	3	3	Medium
4	Scope Creep	2	2	Low Risk
5	Learning curves leading to work delays	5	3	High risk
6	Inadequate training	3	2	Medium Risk
7	Resource Performance Issues	5	4	Critical
8	Inaccurate estimates	4	3	High Risk
9	Change Management Overload	2	2	Low Risk
10	Lack of proper documentation	3	3	Medium Risk

## **Processes implemented for risk mitigation:**

- **Identify the risks**

The first and the foremost task is to recognize the risks that might affect our project or its outcomes. A number of different techniques can be used to identify the risks associated with each step. During this step the team starts to prepare the Project Risk Register.

- **Communicate the risks**

All the identified risks are communicated to all executive stakeholders, along with the impacts of the risks so that everyone is aware of the possible outcomes and impacts of the all the risks associated with the project.

- **Prioritize the risks**

Prepare a risk matrix categorizing the risks based on their criticality. There are some risks which can be ignored, and need not be attended since the effects or impacts are not huge. However, there are some risks that require immediate action. So based on the criticality, likelihood and impact, risks need to be prioritized.

- **Identify the causes and impacts of each risk**

Identifying causes as to why a certain risk has emerged not only helps reduce the impacts and effects of the risk but also helps pinpoint and eliminate the risk altogether.

- **Identify the controls for each risk**

Identifying and implementing controls for each risk helps control risks by analyzing various risk mitigation plans.

- **Determine an appropriate risk manager**

Risk managers advise organizations on any potential risks to the profitability or existence of the company. They identify and assess threats, put plans in place for if things go wrong and decide how to avoid, reduce or transfer risks. Thus, determining an appropriate risk manager will decrease overall risks associated with every phase drastically.

- **Develop a risk mitigation strategy for each risk**

Every risk needs a different strategy. Some risks which are resolved by strategy A cannot be solved by strategy B. So specific strategies need to be designed as per the risks so as to give the best possible effects.

- **Develop a contingency plan for each risk**

In spite of taking all the necessary measures, it can happen that the plan is not running or giving results as expected. So it is always better to have contingency measures in place to ensure that there are no bottlenecks or blocks in the project.

- **Track, monitor and review risks and associated tasks**

This is the step where you take your Project Risk Register and use it to monitor, track and review risks.