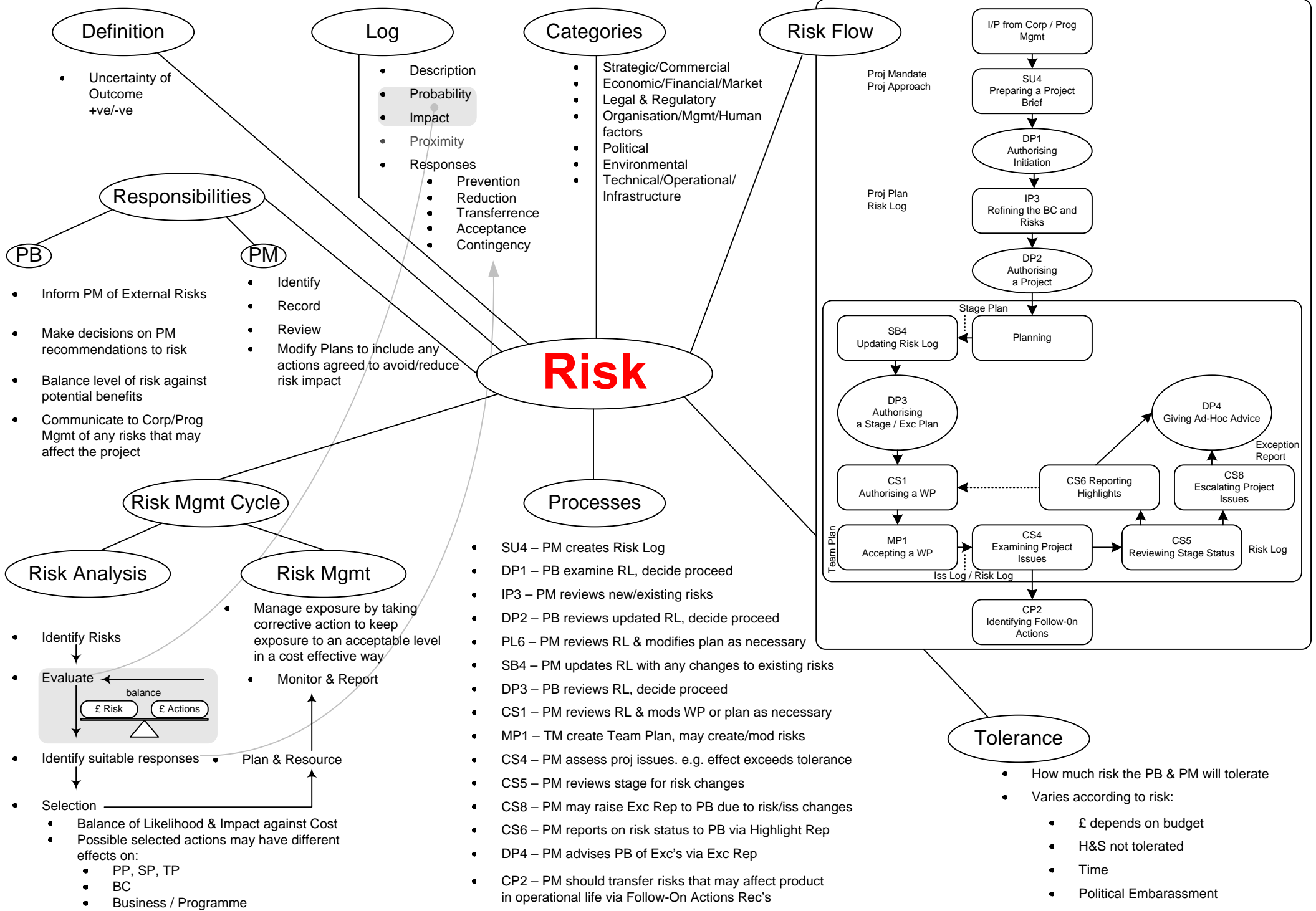


Risk



Definition

- Uncertainty of Outcome +ve/-ve

Responsibilities

PB

- Inform PM of External Risks
- Make decisions on PM recommendations to risk
- Balance level of risk against potential benefits
- Communicate to Corp/Prog Mgmt of any risks that may affect the project

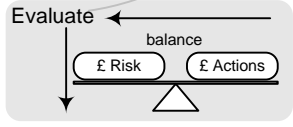
PM

- Identify
- Record
- Review
- Modify Plans to include any actions agreed to avoid/reduce risk impact

Risk Mgmt Cycle

Risk Analysis

- Identify Risks
- Evaluate
- Identify suitable responses
- Selection



Risk Mgmt

- Manage exposure by taking corrective action to keep exposure to an acceptable level in a cost effective way
- Monitor & Report
- Plan & Resource
- Selection
 - Balance of Likelihood & Impact against Cost
 - Possible selected actions may have different effects on:
 - PP, SP, TP
 - BC
 - Business / Programme

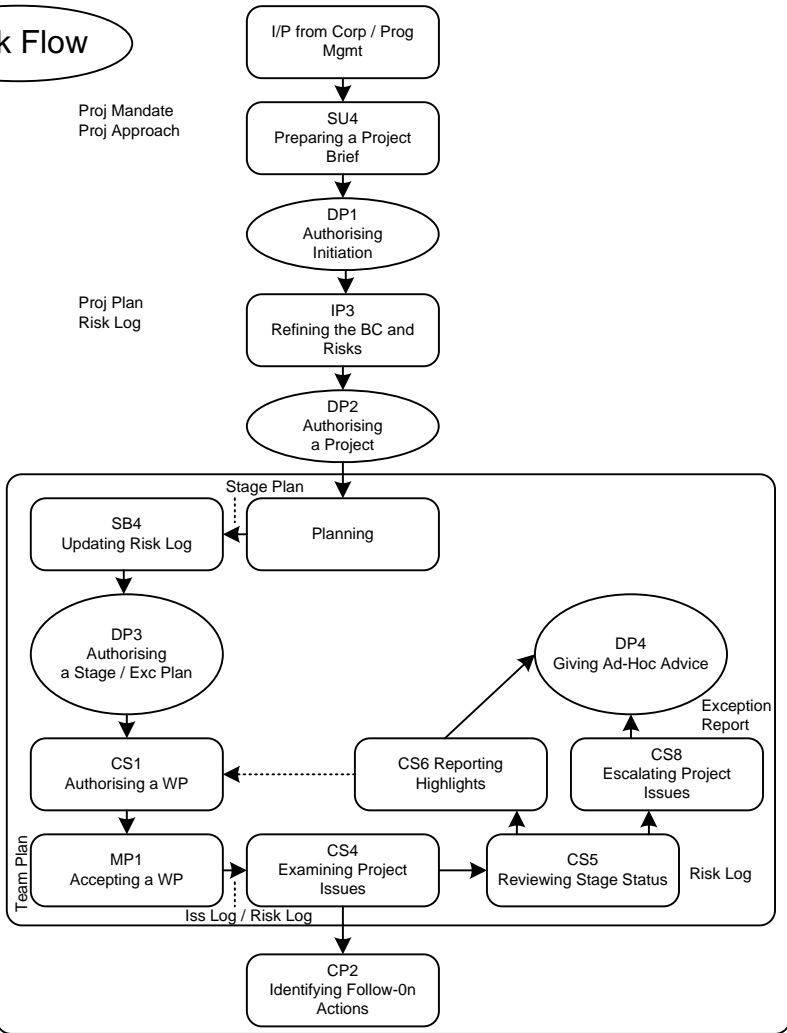
Log

- Description
- Probability
- Impact
- Proximity
- Responses
 - Prevention
 - Reduction
 - Transference
 - Acceptance
 - Contingency

Categories

- Strategic/Commercial
- Economic/Financial/Market
- Legal & Regulatory
- Organisation/Mgmt/Human factors
- Political
- Environmental
- Technical/Operational/Infrastructure

Risk Flow



Processes

- SU4 – PM creates Risk Log
- DP1 – PB examine RL, decide proceed
- IP3 – PM reviews new/existing risks
- DP2 – PB reviews updated RL, decide proceed
- PL6 – PM reviews RL & modifies plan as necessary
- SB4 – PM updates RL with any changes to existing risks
- DP3 – PB reviews RL, decide proceed
- CS1 – PM reviews RL & mods WP or plan as necessary
- MP1 – TM create Team Plan, may create/mod risks
- CS4 – PM assess proj issues. e.g. effect exceeds tolerance
- CS5 – PM reviews stage for risk changes
- CS8 – PM may raise Exc Rep to PB due to risk/iss changes
- CS6 – PM reports on risk status to PB via Highlight Rep
- DP4 – PM advises PB of Exc's via Exc Rep
- CP2 – PM should transfer risks that may affect product in operational life via Follow-On Actions Rec's

Tolerance

- How much risk the PB & PM will tolerate
- Varies according to risk:
 - £ depends on budget
 - H&S not tolerated
 - Time
 - Political Embarrassment