

Project Risk Management - 2 Days

2 Day Workshop – Course PM18

PM18 – Project Risk Management

Course ID: PM18

Credits: 14 PDUs

Course Duration: 2 days

Course Level: Basic/intermediate

Course Description

This seminar focuses on the uncertainty that surrounds any project. Project Risk Management is designed to have the participant learn core project risk management concepts and best practices, and learn tools that are used to proactively manage project risk. During the course, “best practices” will be introduced, and put into context through various exercises and scenarios and case studies.

Target Student: Students enrolling in this course should be planning to lead a project (primary audience) or serve on a project team (secondary audience).

Prerequisites: To ensure your success, we recommend you have some working knowledge or experience in working in a project environment, or have completed a foundations course in project management.

Delivery Method: Instructor-led, group-paced, classroom-delivery learning model with structured minds-on and hands-on activities.

Benefits: Students will learn how to use project risk management techniques to proactively plan, assess, monitor, control, document, and close out their risk management activities on a project successfully.

Performance-Based Objectives

- Discuss the processes of Project Risk Management and a project manager's role in this activity.
- Discuss why projects are unsuccessful due to inadequate risk management, and how project teams can address this shortcoming.
- List and discuss the impact risks have on project success criteria and common categories for project risk.

- Discuss the process for developing a Risk Management Plan.
- Discuss techniques for identifying a project's risks.
- Discuss techniques assessing and analyzing risks, both qualitatively and quantitatively.
- Compare different risk response strategies for proactively dealing with both threats, but also opportunities.
- Identify techniques for proactively monitoring and dealing with risk throughout the project life cycle.
- Use Lessons Learned regarding risk management to continuously improve the Risk Management Plan.

Course Content

1. Introduction to Project Risk Management

Course Objectives

Session Overview

Class Materials

Student Introductions

Class Norms

Exercise – The Domino Project

2. Project Risk Management

Project Risk Definition

Risk Impacts

Risk Events and Risk Conditions

Risk Management vs. Issues Management

Why Manage Risks?

What Happens if you don't Manage Risks?

Exercise – Identify typical project risks

Practical Risk Management Guidelines

Underlying PM Concept

Project Constraints

Project Objectives

Managing Uncertainty

Project Manager's Role in Risk Management

Team Member Roles

Risk Management – A Structured Approach

Tailoring Risk Management

PMBOK® Guide Project Risks Management Processes

Sample Project - Case Study

3. Plan Risk Management

Risk Management – A Structured Approach – Step 1

Project Subsidiary Management Plans

Components of a Risk Management Plan
Risk Tolerance
Risk Management Planning Meeting
Risk Categories
The Risk Breakdown Structure
Exercise- Develop a Risk Breakdown Structure
Meeting Guidelines
Exercise- Risk Management Planning Meeting

4. **Identify Risks**

Risk Management – A Structured Approach – Step 2
Identify Risks
Process Approach to Risk Management
Identify Risks tools and techniques
Brainstorming
Crawford Slip Adaptation
Risk Characteristics
The Risk Register
Sample Risk Register
Exercise – Identify Project Risks

5. **Project Risk Assessment**

Why Assess and Rank Risks?
Risk Management – A Structured Approach – Step 3
Risk Assessment
Frequency or Risk Assessments
Perform Qualitative Risk Analysis
Risk Probability of Occurrence
Risk Impacts to Project Objectives
Which Type of Assessment
Using the Risk Characteristics in Assessment
Perform Qualitative Risk Analysis Tools and Techniques
Scales of Probability
Scale of Impact
Using a Probability Impact Grid (PIG)
Assessing Risk using a PIG

Exercise – Assess Project Risks using a PIG

Risk Assessment Changes over Time
Perform Quantitative Risk Analysis
Using Statistics to Forecast

Perform Quantitative Risk Analysis Tools and Techniques

Sensitivity Analysis

Expected Monetary Value (EMV) Analysis

Decision-Tree Analysis

Decision-making Steps

Decision Tree Example

Evaluating a Decision Tree

Exercise – Perform a Decision-Tree Analysis

Monte Carlo Simulation

Demo – Monte Carlo Simulation

6. Plan Risk Responses

Risk Management – A Structured Approach – Step 4

Risk Response goals

Using the Risk Characteristics in Risk Response Planning

Plan Risk Responses Tools and Techniques

Responses for Threats

Avoid the risk

Transfer the risk

Mitigate the risk

Mitigation Guidelines

Acceptance as a response

Responses for Opportunities

Exploit the risk

Share the risk

Enhance the risk

Risk Triggers

Residual Risks

Secondary Risks

Contingency Reserves

Contingency Reserves vs. Management Reserves

Developing the Risk Response Plan

Exercise – Develop a Risk Response Plan

7. Control Risks

Control Risks

Risk Management – A Structured Approach – Steps 5 & 6

Monitoring Risks

Using the Risk Characteristics in Control Risks

Controlling Risks

Control Risks Tools and Techniques

Risk Audits

Variance and Trend Analysis

Reserve Analysis

Status Meetings

Tracking and Reporting on project risk

Outputs of Control Risks

Exercise – Perform a Risk Re-Assessment

8. Continuous Improvement

Lessons Learned

Risk Management – A Structured Approach – Step 7

Improving the Risk Management Plan

Project Issues

Issues Management

Issues Management Plan

Process Flow for Issues Management

Issues Management Best Practices

Capstone Exercise – Perform Risk Management Activities on a short case study

Course Summary

Course Review