

Effective Project Risk Management

A complete set of tools-&-techniques for minimizing threats and maximizing opportunities associated with projects



Seminar Focus

- Learn how to identify, quantify, prioritize and plan for risk with a systematic approach
- Find out how to distinguish between good luck & bad management and bad luck & bad management
- Discover better decision making to quantify alternatives and understand best, worst & most likely outcomes
- Develop more effective Risk Management plans and pro-actively monitor them as the project unfolds
- Get insights into key issues such as realistic assessments of contingency funds
- Analyze Contractual Risks and influencing the procurement process

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Overview

The activities necessary to manage risk throughout a project lifecycle will be identified and applied, and through "hands-on" activities, participants will be exposed to tools and techniques for both qualitative and quantitative analysis. There will be an introduction to a comprehensive project risk management process/matrix that extends from initiation through to project archiving and from risk symptoms to risk event impact. Critical to risk management success is the business risk to project risk alignment, and mitigation strategies beyond the basic financial contingency approach. This course is essential for all career-minded project management practitioners. Using the proven techniques presented at the seminar, the traditional risk process can be extended to ensure that opportunities are maximized, at the same time as threats are minimized, giving the best chance to meet project objectives. This course contains a large practical component, allowing delegates to directly practice the skills they have learned on a real-life case study.

Many project teams spend a great deal of time "fighting fires" - responding to problems that may or may not have been foreseen in advance

Benefits of Attendance

This seminar provides a rigorous, common sense approach to addressing uncertainty in projects

The approach includes the ability to influence project outcomes, avoid many potential project risks, and be ready to calmly and efficiently respond to unavoidable challenges

- Learn how the PMBOK® Guide's risk management processes apply to your project's environment, especially for high risk projects
- Assess project risk more effectively. Evaluate those risks from multiple perspectives, qualitatively and quantitatively, to determine which risk responses and mitigation strategies are most appropriate
- Learn how to control project risk throughout the project life.
- Integrate risk management into current business processes
- Relate to the human factors and business benefits of risk management
- Contract Risks – review the nature of the contract and where contractual obligations lie. Where to look for risks in the contract and how to manage the "Customer – Partner – Supplier Risk" throughout the procurement process
- Financial Risks – Understand and manage the risks related to budget, cash-flow and other financial factors
- Appreciate the range and diversity of software tools and their benefits

Who Should Attend

This program is aimed at anyone involved in a project which is subject to uncertainty

This seminar is globally accredited by Project Management Institute® and provides 16 PDU points

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Seminar Agenda

DAY ONE

Session 1: Foundations of Risk Management

- Definition & characteristics of risk
- Elements of risk – event, probability, impact, sources of risk
- The risk management process
- Involvement of the team
- Avoiding bias in the process
- Developing a Risk Management Plan

Session 2: Identifying Risks

- Risk identification
- Risk generation tools and techniques
- Categorizing risks
- The Risk Breakdown Structure (RBS)
- Separating sources of risks, risks and impacts of risk
- Seller risks - analyzing risk within the tender/bid document
- Buyer risks - analyzing risk within the proposal

Case Study: Participants will practice the skills they have learned on a case study drawn from real life. In small groups they will create a complete and categorized risk listing for the project.

Session 3: Risk Analysis

- Qualification of risks – the fundamentals
- Quantification of risks – the fundamentals
- The Probability/Impact Matrix
- The Risk Register
- Probability analysis

Exercise: Understanding probability

Session 4: Risk Qualification

- Determining risk tolerances
- Techniques for qualifying and prioritizing risk

Session 5: Risk Quantification

- Tools for quantifying impact
- Tools for quantifying probability
- Financial measures of risk
- Expected Monetary Value (EMV) analysis
- Analyzing best, worst and the most likely outcomes
- Techniques for prioritizing risks

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Case Study: Participants will quantify the risks that they identified earlier and then prioritize them for action.

DAY TWO

Session 6: Analyzing Contract Risks

- The nature of contractual obligations
- How risks are apportioned in contracts
- Analyzing where the risks and opportunities lie in the contract
- Understanding different contract types; Fixed price, cost-reimbursement, time & materials, incentivized "pain-gain" contracts

Session 7: Risk Response Planning

- Planning to avoid, transfer, mitigate or accept the risk
- When and how to use different types of contract
- Reserves planning
- Updating the plan

Case Study: Participants will develop responses for their risk plan and plan a contingency budget.

Session 8: Keeping risk under control during the project

- Pro-actively managing the risk plan
- Monitoring, controlling and documenting issues as they occur

Case Study: Participants are presented with some of the issues that actually occurred during this project. Were these already identified in the risk plan and if so was a contingency plan in place? How effective would the plan be at containing the issues?

Session 9: Advanced Tools

- Decision Trees
- Sensitivity Analysis
- Probability Distributions
- Modeling
- Monte Carlo simulation

Session 10: Where to from here?

- Practical implementation of the risk management process
- Develop a personal action plan to apply your learning back at work

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