

Ron Rosenhead

Helping you deliver on time, on
budget and with the right results!



Identifying & Managing Risks



**“First weigh the considerations, and then take
the risks”**

Helmuth von Moltke

Introduction

We all take risks at some point in our lives. Some risks we review and all is fine. In some cases we review and get it wrong!

This brief document has been designed to help you identify and manage risks in your projects (or business as usual activities). How does it work? Use the risk log on the next page and go through the steps below:

Stage 1: Identify either with a group or with your team what could possibly go wrong in the project. Do not worry how obscure or irrelevant the suggestion is -it may happen!

Stage 2: Use your findings to complete the risk template on the next page. You need to decide the likelihood of the activity going wrong allocating it a score of 1 to 3. Do the same with the impact the risk will have on the project also allocating it a score

Stage 3: Multiply out the likelihood and the impact and place the score in column 4

Stage 4: Identify a person who will manage each risk or a group of risks. Their role is to ensure that the risk does not get any worse and if possible is managed so that the score is reduced.

Stage 5: Regularly review all risks with your team to ensure that the risks are being managed (you will need to decide the frequency)

Some hints and tips:

- If there are arguments whether something is a risk or not within the group; include. It is easier to exclude later, on but sometimes very difficult or impossible to include later on.
- Scoring; there may be discussions or disagreements about the score for a particular risk. To overcome this take the highest suggested score but put a date in the diary to specifically review that risk
- Continuously review; ensure you regularly review the overall risk log. Make someone responsible for ensuring this happens. It could be the project manager or a project team member.
- Low scoring risks can sometimes escalate very quickly. They may not be on the horizon now but could be which is why you need to regularly review the risk log
- Keep the sponsor or project board (steering group) informed of any high scoring risks and what you are doing about managing them
- If you have "sponsor issues" and these issues are having a negative impact on the project then put this on the risk log and send it to the sponsor (discuss with them first!)

Good luck weighing the considerations and then taking the risks!

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Risk Log

Score as follows, for Likelihood and Impact: High = 3, Medium = 2, Low = 1. Multiply the scores using column 4 below and develop a process for managing and monitoring each risk.

Nature of Risk or Uncertainty	Likelihood High/ Medium/ Low	Impact High/ Medium/ Low	Likelihood x Impact [Score]	Actions required. Who will manage the risk + date of next review

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