

TOTAL SYSTEMS EDUCATION, LTD.



TSE004

PROJECT RISK MANAGEMENT (The Practical Approach to applying the Six Steps)

Course Description

As we tend to learn the hard way, risk is everywhere! Whether we are involved in one or many projects, our goal is to reach successful project completion, while still maintaining our daily responsibilities. Not an easy task! This workshop introduces tools, techniques, and the way to follow a *Six Step Process* for successful Risk Management. The process lowers risk in simple, matrix and cross-functional projects.

This module is for anyone who has completed *Project Planning and Control (The Foundations of Project Management)* program, who needs to follow and implement a *systematic approach* to Project Risk Management.

The course is designed to follow the Project Risk Management Knowledge Area of the PMBOK® Fourth Edition (Project Management Body of Knowledge) in a very practical way. It prepares participants for on-the-job use of the Six Steps of managing risk, while providing the benefit of following the PMI® way.

Upon client request, the workshop will be taught as a PMP Preparation session to assist team members wanting PMP Certification. Those involved with PMI and the Project Management Professional – PMP program are awarded 7 PDUs or “Contact hours”. Our Global R.E.P. number is 1270.

Upon completion of this course, each participant will be able to:

- ◆ Understand and Use the Six Steps to Risk Management Process;
- ◆ Develop a Project Risk Management Plan;
- ◆ Use Several Techniques for Risk Identification;
(including the identification of Risk Triggers)
- ◆ Qualify Risks to Identify the most Critical Issues facing the Project;
- ◆ Quantify the Probability and Impacts of the most Critical Risks;
- ◆ Develop Risk Response Plans for all Project Risks including: Avoidance, Mitigation, Transference, and Acceptance;
- ◆ Monitor and Control Risks throughout a Project.

Instructional methods for this one day module are lecture, discussion, exercises, and workshops. Reference to and inclusion of the PMI® PMBOK Fourth Edition are certainly included and applied to real-world situations. Session also has participant discussions and feedback of on-going project situations.



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Course Outline

I. Introduction and Course Objectives

- A. PMI® as a Resource
- B. The “Reality Check”

II. Review of Risk Basics

- A. What is Risk
(Both Bad and Good)
- B. Why We Need to Manage Risk
- C. Project Risks vs. Product Risks
- D. The Six Steps to Effective Risk Management
 - 1. Plan Risk Management
 - 2. Identify Risk
 - 3. Perform Qualitative Risk Analysis
 - 4. Perform Quantitative Risk Analysis
 - 5. Plan Risk Response
 - 6. Monitor and Control Risk

III. The Plan Risk Management

- A. Definition
- B. Why must we make a plan to Manage Risks?
- C. Contents of the Plan
- D. Presenting the Plan

IV. Identify Risk

- A. Definition
- B. Identification Methods
 - 1. Data Gathering
 - 2. Project Closeout Reports
 - 3. Checklists
 - 4. Using Subject Matter Experts (SME)
 - 5. Project Team Member Experiences
 - 6. Diagramming Techniques
 - 7. History
and Learning from it!



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Course Outline Continued:

IV. Identify Risk - Continued

- C. Risk Categories
 - 1. Technical Risks
 - 2. Project Management Risks
 - 3. Organizational Risks
 - 4. External Risks
 - 5. Unknown Risks
- D. Risk Types
 - 1. Business
 - 2. Pure
 - 3. Known
 - 4. Unknown
- E. Ranking the Risks
- F. Determining the Risk “Triggers”
 - 1. Do we always switch to Plan B?
 - 2. When do we go to “Plan B” = contingency plan?

V. Qualifying the Risk (Perform Qualitative Risk Analysis)

- A. Estimating “How likely is the Risk?”
- B. Assess the Impact
- C. Probability-Impact Matrix
- D. Risk Prioritization

VI. Quantifying the Risk (Perform Quantitative Risk Analysis)

- A. Quantitative Risk Analysis
- B. Refine our Previous Risk-related Estimates
 - 1. Decision Tree Analysis
 - 2. Simulation
 - 3. Additional Tools
- C. Rules to Determine Probabilities
- D. Risk Referent Level



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Course Outline Continued:

VII. Developing Risk Response Plans (Plan Risk Response)

- A. Risk Response Strategies
 - 1. Avoiding Risks
 - 2. Mitigating Risks
 - 3. Transferring Risks to Third Parties
 - 4. Actively and Passively Accepting Risks
- B. Contingency Plans
- C. Secondary and Residual Risks
- D. Project Reserves

VIII. Monitor and Control the Risks

- A. The Importance of Effective Project Communications to Risk Management
- B. Risk Tracking and Control Methods
 - 1. Measures
 - 2. Job Aides
- C. Did we Create New Risks?
- D. Documenting
 - 1. Project Risks
 - 2. Risk Responses

IX. Conclusion

- A. Review Major Topics/Issues
- B. Participants Critique Class

