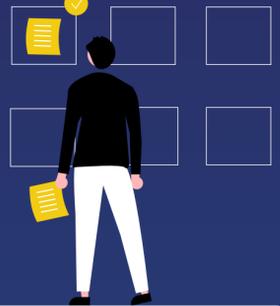


5 Elements of Risk Management

Projects are constantly at risk of delay, cost overruns, and falling short of expectation. A robust risk management process allows project managers to accommodate for the impact of risks early on. Yet while our experience has shown that this is essential to success, a majority of organizations have yet to prioritize improving their risk management practices.

Here are 5 key elements we believe will build the foundation for effective risk management and set your organization up for success.



1 Risk and Opportunity Management Plan (ROMP)

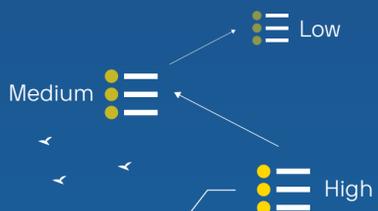
This is typically defined during the project planning phase as the team identifies potential risks. It is a comprehensive description of the processes in place to manage both a project's risks and opportunities.



The ROMP should evolve throughout the life cycle of the project to be used as a reference to newcomers and existing team members as well.

Risk Matrix 2

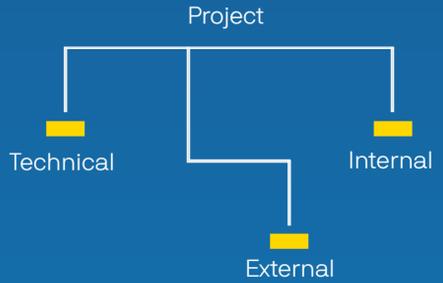
The Risk Matrix is your tool to objectively define the probability of occurrence and severity of impact – with differing levels. While we would typically define by high, medium and low, we at MI-GSO | PCUBED actually recommend completing a quantitative risk analysis, defining risk impact and occurrence with numerical levels.



By quantifying these otherwise qualitative attributes, organizations can better place risks on the criticality scale and prioritize them.

3 Risk Breakdown Structure

This tool helps to detail all the different types of risks. It organizes them into a hierarchy with each descending level providing greater detail.



This document usually is created once the Risk Matrix has been defined.

Risk Register 4

The risk register is a table capturing all the key information about each risk or opportunity and allows for clear tracking and monitoring throughout the life of the project.

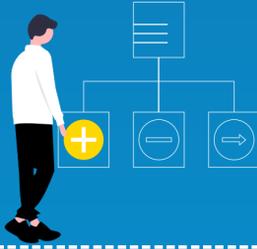
A	B	C	D
●		●	
	●		
	●		



This can be an Excel table or even a specialized software tool (Planisware, Primavera, etc.).

5 Risk Reporting Dashboard

This is a dashboard which showcases all the key performance indicators (KPI) regarding the risks of a project.



Here are some examples of useful indicators for managing risks:

- Monitoring the evolution of risks
- Distribution and monitoring of the budget
- Risks with mitigation plans

