Projects are constantly at risk of delays, cost overruns, and failing to meet expectations. A robust risk management process allows project managers to be well-prepared for the impact of these factors. Yet, while our experience has shown this to be 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 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.
   - By quantifying these otherwise qualitative attributes, organizations can better place risks on the criticality scale and prioritize them.

2. **Risk Matrix**
   - 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 high, low, and medium, we at MI-GSO | PCUBED actually recommend completing a quantitative risk analysis, defining risk impact and occurrence with numerical levels.

3. **Risk Register**
   - 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 a project.

4. **Risk Reporting Dashboard**
   - This document is typically created during the project planning phase and contains a list of risks broken down by risk type or category.
   - For each risk, the risk register should include the current status of the risk, the risk owner, potential impact, and the risk probability.

5. **Risk and Opportunity Management Plan (ROMP)**
   - This is typically defined during the project planning phase as the team identifies potential risks and opportunities. 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 risk managers.

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
- Risks with escalation plans
- Risks with close monitoring

By prioritizing these elements, organizations can better place risks on the criticality scale and prioritize them.

**5 Elements of Risk Management**

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