

Course Outline

Project Risk Management Course PM18: 2 days Instructor Led

About this course

This seminar focuses on the uncertainty that surrounds any project. Project Risk Management is designed to have the participant learn core project risk management concepts and best practices, and learn tools that are used to proactively manage project risk. During the course, “best practices” will be introduced, and put into context through various exercises and scenarios and case studies.

Audience profile

Students enrolling in this course should be planning to lead a project (primary audience) or serve on a project team (secondary audience).

At course completion

After completing this course, students will be able to:

- Discuss the processes of Project Risk Management and a project manager's role in this activity.
- Discuss why projects are unsuccessful due to inadequate risk management, and how project teams can address this shortcoming.
- List and discuss the impact risks have on project success criteria and common categories for project risk.
- Discuss the process for developing a Risk Management Plan.
- Discuss techniques for identifying a project's risks.
- Discuss techniques assessing and analyzing risks, both qualitatively and quantitatively.
- Compare different risk response strategies for proactively dealing with both threats, but also opportunities.
- Identify techniques for proactively monitoring and dealing with risk throughout the project life cycle.
- Use Lessons Learned regarding risk management to continuously improve the Risk Management Plan.

Course Outline

1. Introduction to Project Risk Management

- Course Objectives
- Session Overview
- Class Materials
- Student Introductions
- Class Norms
- Exercise – The Domino Project

2. Project Risk Management Project Risk Definition

- Risk Impacts
- Risk Events and Risk Conditions Risk Management vs. Issues Management Why Manage Risks?
- What Happens if you don't Manage Risks?
- Exercise – Identify typical project risks
- Practical Risk Management Guidelines
- Underlying PM Concept
- Project Constraints
- Project Objectives
- Managing Uncertainty
- Project Manager's Role in Risk Management

Course Outline

- Team Member Roles
- Risk Management – A Structured Approach
- Tailoring Risk Management
- PMBOK® Guide Project Risks Management Processes Sample Project - Case Study

3. Plan Risk Management

- Risk Management – A Structured Approach – Step 1
- Project Subsidiary Management Plans
- Components of a Risk Management Plan
- Risk Tolerance
- Risk Management Planning Meeting
- Risk Categories
- The Risk Breakdown Structure
- Exercise- Develop a Risk Breakdown Structure
- Meeting Guidelines
- Exercise- Risk Management Planning Meeting
- Identify Risks
- Risk Management – A Structured Approach – Step 2

4. Identify Risks

- Process Approach to Risk Management
- Identify Risks tools and techniques
- Brainstorming
- Crawford Slip Adaptation
- Risk Characteristics
- The Risk Register
- Sample Risk Register
- Exercise – Identify Project Risks

5. Project Risk Assessment Why Assess and Rank Risks?

- Risk Management – A Structured Approach – Step 3
- Risk Assessment
- Frequency or Risk Assessments
- Perform Qualitative Risk Analysis
- Risk Probability of Occurrence
- Risk Impacts to Project Objectives
- Which Type of Assessment
- Using the Risk Characteristics in Assessment
- Perform Qualitative Risk Analysis Tools and Techniques
- Scales of Probability
- Scale of Impact
- Using a Probability Impact Grid (PIG)
- Assessing Risk using a PIG
- Exercise – Assess Project Risks using a PIG
- Risk Assessment Changes over Time
- Perform Quantitative Risk Analysis
- Using Statistics to Forecast

Course Outline

- Perform Quantitative Risk Analysis Tools and Techniques
- Sensitivity Analysis
- Expected Monetary Value (EMV) Analysis
- Decision-Tree Analysis
- Decision-making Steps
- Decision Tree Example
- Evaluating a Decision Tree
- Exercise – Perform a Decision-Tree Analysis
- Monte Carlo Simulation Demo – Monte Carlo Simulation

6. Plan Risk Responses

- Risk Management – A Structured Approach – Step 4
- Risk Response goals
- Using the Risk Characteristics in Risk Response Planning
- Plan Risk Responses Tools and Techniques Responses for Threats
- Avoid the risk
- Transfer the risk
- Mitigate the risk
- Mitigation Guidelines
- Acceptance as a response
- Responses for Opportunities
- Exploit the risk
- Share the risk
- Enhance the risk
- Risk Triggers
- Residual Risks
- Secondary Risks
- Contingency Reserves
- Contingency Reserves vs. Management Reserves
- Developing the Risk Response Plan
- Exercise – Develop a Risk Response Plan

7. Control Risks Control Risks

- Risk Management – A Structured Approach – Steps 5 & 6
- Monitoring Risks
- Using the Risk Characteristics in Control Risks
- Controlling Risks
- Control Risks Tools and Techniques
- Risk Audits
- Variance and Trend Analysis
- Reserve Analysis
- Status Meetings
- Tracking and Reporting on project risk
- Outputs of Control Risks
- Exercise – Perform a Risk Re-Assessment

8. Continuous Improvement

Course Outline

- Lessons Learned
- Risk Management – A Structured Approach – Step 7
- Improving the Risk Management Plan
- Project Issues
- Issues Management
- Issues Management Plan
- Process Flow for Issues Management
- Issues Management Best Practices
- Capstone Exercise – Perform Risk Management Activities on a short case study
- Course Summary
- Course Review