TL Note – Risk Management

Risk Management requires you to learn about your project and your team. You need to understand strengths, weaknesses, opportunities and threats that follow from team experience and backgrounds, and the criteria required to guarantee project success. Risk Management is a particularly important but complex process. Following are some important points for understanding and applying risk management appropriate for TL.

Risk Identification

Your SoW should include a commitment to manage and communicate risks, the effort you will exert on the risks and their management, and show your understanding of how they might become issues and impact the project. They should then be detailed in a risk register (set up a template in your project tooling that includes severity, consequences, timing, owner, etc), including risks around things like ethics, security, assumptions, costs, resourcing, engagement and reception. This means that both the team and the client have acknowledged their existence, and possible impact on the project, so they can form the basis for review/change/renegotiation if necessary. It is unlikely that all risks will be evident from the start, so further risk identification should continue throughout the project. Risks should be added to the register as identified.

Risk Analysis and prioritisation

Normal risk analysis is used to determine the likelihood and consequence of the risk. With limited project hours, risk prioritisation is essential. While those with high ratings for both can be subjectively prioritised as very important, some more objective prioritisation may be needed for those with lower ratings against these criteria. Effort on risks should be based on relative prioritisation.

Risk Treatment

The risk register should include a decision on how a risk is to be treated. The main options are:

Accept	Recognise the risk, but don't do anything unless it occurs. Define the action you will take if it does occur.
Mitigate	Attempt to fully eliminate or reduce the risk. The mitigation strategy will include some sort of action or task. The risk should then be reassessed. It should be closed if eliminated altogether, or adjusted in the risk register if reduced.
Transfer	Eliminate the risk through moving it outside of the scope of the project. This is only acceptable with the knowledge and agreement of the recipient of the risk.

Actions/tasks

Actions/tasks will result from mitigation strategies and these need to be applied to the risk itself. If a risk with "Treatment = Accept "is occurring, it becomes an issue unless it can be immediately resolved via a planned action. Otherwise, it becomes an issue, and the planned actions/tasks need to be triggered.

Risk Monitoring

The status of risks should be continuously monitored – through a standing agenda item in client/team meetings or separate meetings. The register should be continuously updated with new risks, changes to treatments, mitigation strategies, actions/tasks, and status. Note that a risk that occurs may spawn the Issues Management process and transfer of the risk to the Issues Register.

Risks Associated with SoW Basis

Assumptions, constraints, dependencies, resources, and costs are documented within the SoW to provide a basis for the commitments. Effectively by including these, you are documenting a batch of risks for which the treatment is "Accept". A standing agenda item to review the basis in the SoW may be sufficient risk management for all these items, streamlining the risk management. A risk associated with any of these points can also be identified separately in the initial Risk Register if it requires more specific and/or focused attention. Make sure risks have clear owners, and if your client controls the risk, they should perhaps own it.