

Risk Management for Projects, Programs, and Operations

Length: 4 Days

Course Overview and Objectives: All initiatives start with uncertainty, creating wide-ranging consequences from unmet plans to total organizational failure. Ongoing research shows that risk management is still a frequently neglected area of planning for projects, programs, operations, and other initiatives. In this course, students will learn to:

- Manage risk to deliver initiatives that meet stakeholder needs and deliver promised benefits
- Apply scalable templates for Risk Management Plans, Risk Assessment Workshops, Risk Registers, and Risk Assessment Matrices for initiatives
- Leverage a proven, qualitative risk-analysis process to guide risk management decisions
- Determine risk mitigations, and time and cost contingencies
- Create a complete risk management methodology from a proven model
- Develop a Risk Register through an incremental process
- Apply a seven-step qualitative risk response process to guide key management decisions
- Improve ability to detect and respond to risk events

COURSE CONTENT

Day 1

OVERVIEW OF RISK MANAGEMENT

- Definitions and terminology in risk management
- Recognizing risks in initiatives – sources of threats and opportunities
- Using risk management best practices, tools, and techniques to achieve project success
- What is a Framework?
- Overview of the Risk Assessment Framework

DESIGNING CRITICAL PLATFORMS FOR SUCCESS

CREATING A RISK MANAGEMENT PLAN (RMP)

- Goals and principles in risk management
- The Lifecycle of Risks
- Tailoring the Risk Assessment Framework
- Preparing for a Risk Management Plan
 - Information gathering techniques
 - Risk Profile: Risk appetite, tolerance, and threshold
 - SWOT Analysis

- Analyzing contents of a model RMP
- Applying a standard template to create your RMP
- Communicating risks to stakeholders
- Documenting risks for future initiatives

CONDUCTING A SUCCESSFUL RISK ASSESSMENT WORKSHOP (RAW)

- Setting the Agenda
- Conducting the Workshop
- Documenting the Workshop

DEVELOPING A RISK REGISTER

- Analyzing contents of a model Risk Register
- Applying a proven template to create your Risk Register
- Communicating risks to stakeholders
- Documenting risks for future assessment

THE RISK ASSESSMENT FRAMEWORK

IDENTIFYING INITIATIVE RISK

- Common sources of initiative risk
- Risk identification tools
 - Facilitated meetings and Delphi Technique
 - Categories and taxonomies
 - Checklists
 - Risk Breakdown Structure (RBS)
 - Ishikawa diagrams
 - Force Field Analysis
- Assessing high-level risks to the organization

Day 2

IMPROVING INITIATIVE PERFORMANCE THROUGH QUALITATIVE ANALYSIS

ANALYZING RISKS THROUGH QUALITATIVE MEASURES

- Performing probability and impact analyses
- Applying the Risk Assessment Matrix (RAM) (aka Probability and Impact Matrix)
- Failure Mode and Effects Analysis
- Quadratic Six-Dimension Mean

PRIORITIZING ANALYSIS RESULTS

- Ranking project and operations risks
- Differentiating between acceptable and unacceptable risks

ANALYZING RISKS USING QUANTITATIVE METHODS

TOOLS FOR ANALYSIS

- Expected Monetary Value (EMV)
- Decision Tree
- PERT estimates
- Risk Benefit Analysis

QUANTIFYING EFFECTS OF RISK EVENTS ON PROJECTS AND OPERATIONS

- Determining probability of cost and time objectives
- Calculating contingency reserves
- Identifying trends in quantitative analysis

Day 3

RISK RESPONSE PLANNING

IMPLEMENTING RISK RESPONSE STRATEGIES

- Risk Response Strategies
- Aligning Strategies with Priorities
- A process for Risk Response Planning
- Quantifying residual risks and secondary responses
- Re-compute priorities, finalize cost and time budgets

CREATING CONTINGENCY PLANS

- Determining the worst-case scenario
- Recalculating confidence levels
- Finalizing risk budget
- Applying a seven-step process to risk response planning

MAKING DECISIONS UNDER UNCERTAINTY

PSYCHOLOGICAL FACTORS IN DECISION-MAKING

- Practical applications of Prospect Theory
- Recognizing bias with Utility Theory
- Impact of cognitive bias

TOOLS TO ENHANCE OBJECTIVITY

- Maximizing returns through the use of payoff tables
- Dealing with unknown risks using workarounds
- Use of contracts, agreements, and insurance

Day 4

MONITORING AND CONTROLLING RISK

IDENTIFYING EMERGING RISKS

- Matching identified initiative risk with controls including Risk Audit, Variance Reports, and Reserve Analysis
- Anticipating risk events with metrics and Key Risk Indicators (KRI)
- Measuring risk using earned value analysis (EVA)
- Dealing with the unknown – worst case scenarios and black swan events

ENSURING EFFECTIVE CHANGE CONTROL

- Developing a reliable change request process
- Recommending corrective action

LEVERAGING PROJECT AND OPERATIONS EXPERIENCE

- Create an environment of success
- An implementation process and checklist
- Compiling lessons learned in a risk database
- Ensuring continuous improvement

COURSE MINI-CAPSTONE AND WRAP UP