

## ARE YOUR TEAMS EFFECTIVELY MANAGING THEIR PROJECT RISK?

There are always plenty of risk alligators when your teams are in the swamp of project management. In the heat of battling through the work plan, it is often easier for your teams to hope that the project risks are not realized and focus their already-fully-stretched-beyond-capacity resources on getting the deliverables, well, delivered. But we all know that hope is not a plan. And the secret of effectively managing project risk lies in the deliverables themselves.

### SIX STEPS

Completing six steps will ensure that your teams are effectively managing their project risk. The steps begin with a thorough examination of each project deliverable and end with a weekly review of the incumbent risks.

1. Analyze Project Deliverables
2. Evaluate Risk Scenarios
3. Develop Mitigation Strategies
4. Prepare Mitigation Plan Schedules and Budgets
5. Outline Risk Communications
6. Conduct Weekly Risk Reviews

### STEP 1: ANALYZE PROJECT DELIVERABLES

Heaven is in the details...the details of the deliverables. As you look at each of the project's deliverables, identify any obstructions that may inhibit your ability to deliver. Take a "worst-case" view of how each deliverable could fail. Your analysis needs to consider the time, budget, and staff required by each deliverable. Don't succumb to the temptation to gloss over this analysis. A thorough analysis of each deliverable lays the foundation for solid project risk management.



### STEP 2: EVALUATE RISK SCENARIOS

The next move is to describe each risk in terms of the problems that will result should the risk be realized. Document the risk's greatest effect with regard to the project's cost, schedule, or quality. Estimate the probability of the risk being realized on a simple scale of high, medium, or low. Apply the same simple scale to the realized risk's impact. Think of impact as the amount of damage it could cause. The risks to be managed are those with either a high or medium assessment of probability or impact; or both.

### STEP 3: DEVELOP MITIGATION STRATEGIES

Now that you know which risks the team needs to manage, it is time to plan the activities that must take place in the event that each risk is realized. Each mitigation strategy requires an approach to how the risk will be mitigated, a detailed work plan, and a lead assigned to monitor the risk. Review your Deliverables Analysis (from Step 1) to make sure your mitigation strategies take available time, budget, and staff into account.

### STEP 4: PREPARE MITIGATION PLAN SCHEDULES & BUDGETS

Each mitigation strategy provides the material needed to lay out the work plan that will be launched if the risk is realized. Determine the plan's resource assignments and schedules and secure any budget or other resources needed to implement the plan. This is another one of those "heaven is in the details" stages in the model. Getting down to the nitty-gritty of the work plan's tasks and schedule will best prepare you should the risk be realized.

### STEP 5: OUTLINE RISK COMMUNICATIONS

At this stage in the model you are ready to flesh out the communications that will need to be delivered should the risk be realized. Take the time to determine stakeholder groups, audiences, and key messages. Establish a schedule for delivering the communications and prepare all the materials in advance of having to deliver them.

### STEP 6: CONDUCT WEEKLY RISK REVIEWS

This is where the assigned Risk Lead monitors the activities that impact his/her assigned risks and each week assigns a status to each risk:

- Green – there are no indications that the risk will be realized; no action is required
- Yellow – there are indications that the risk may be realized; take actions to ensure the risk is not realized
- Red – the risk has been realized; take actions to deploy the incumbent mitigation strategy

### KEYS TO RISK MANAGEMENT SUCCESS

Your battle with project risk will be much more successful as you proactively and aggressively manage each deliverable's risk potential. Your thorough analysis of each risk indicator and advance planning will minimize unpleasant surprises. Clear communications to impacted stakeholders and consistent risk status updates will keep you and your teams on top of each and every risk that could damage your project's results.

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