ERGODYNAMIKI Company

PREMISES RELOCATION PROJECT

RISK MANAGEMENT PLAN

Version *<0.3>*

<mm/dd/yyyy>

VERSION HISTORY

*[Provide information on how the development and distribution of the **Risk Management Plan** up to the final point of approval was controlled and tracked. Use the table below to provide the version number, the author implementing the version, the date of the version, the name of the person approving the version, the date that particular version was approved, and a brief description of the reason for creating the revised version.]*

Version #	Implemented By	Revision Date	Approved By	Approval Date	Reason
0.1	*<Author name>*	*<mm/dd/yy>*	*<name>*	*<mm/dd/yy>*	Initial Risk Management Plan draft
0.2	*<Author name>*	*<mm/dd/yy>*	*<name>*	*<mm/dd/yy>*	Changes from Jordan Harris to refine process flows and roles/ responsibilities
0.3	*<Author name>*	*<mm/dd/yy>*	*<name>*	*<mm/dd/yy>*	Refine the tools & techniques of Identify Risks process

Template Version: Sep 16

Note to the Author

*[This document is a template of a **Risk Management Plan** document for a project. The template includes instructions to the author, boilerplate text, and fields that should be replaced with the values specific to the project.*

- *Blue italicized text enclosed in square brackets ([text]) provides instructions to the document author, or describes the intent, assumptions and context for content included in this document.*

- *Blue italicized text enclosed in angle brackets (<text>) indicates a field that should be replaced with information specific to a particular project.*

- *Text and tables in black are provided as boilerplate examples of wording and formats that may be used or modified as appropriate to a specific project. These are offered only as suggestions to assist in developing project documents; they are not mandatory formats.*

When using this template for your project document, it is recommended that you follow these steps:

1. *Replace all text enclosed in angle brackets (i.e., <Project Name>) with the correct field values.*

2. *Modify boilerplate text as appropriate to the specific project.*

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INTRODUCTION

1.1 PURPOSE OF THE RISK MANAGEMENT PLAN

[Provide the purpose of the Risk Management Plan.]

A risk is an event or condition that, if it occurs, could have a positive or negative effect on a project's objectives. Risk Management is the process of identifying, analyzing, responding to, monitoring, and reporting risks. This Risk Management Plan defines how risks associated with the *<Project Name>* project will be identified, analyzed, and managed. It outlines how risk management activities will be performed, recorded, and monitored throughout the lifecycle of the project and provides templates and practices for recording and prioritizing risks.

The Risk Management Plan is created by the project manager and Risk Manager in the Planning Phase of the project and is monitored and updated throughout the project.

The intended audience of this document is the project team, the risk team, project sponsor and management.

Methodology

1.2 PROCESS

[Summarize the steps necessary for responding to project risk.]

The Risk Manager working with the Risk team and various Stakeholders will ensure that risks are actively identified, analyzed, and managed throughout the life of the project. Risks will be identified as early as possible in the project so as to minimize their impact. The steps for accomplishing this are outlined in the following sections.

1.3 RISK IDENTIFICATION

Risk identification will involve the project team, risk team, appropriate stakeholders (such as End Users) and will include also an evaluation of environmental factors, of the organizational culture and of the project management plan including the project scope. Careful attention will be given to the project deliverables, assumptions, constraints, WBS, cost/effort estimates, resource plan and other key project documents-templates.

As Risk Register initial template will be used the one from the "PMP Book of Forms" and will be modified accordingly. After the generation of Risk Register it will be updated as needed and will be stored electronically in the project library located at <file location>.

Risks can be identified by any member of the project team and any Stakeholder. They can be sent via email or raised during a team meeting but the Risk Manager is responsible for logging the risks to Risk Register. The Identification of possible risks will take place through:

1.3.1 Documentation reviews. All the plans and project documents as well as Lessons learned from previous projects must be reviewed.

1.3.2 Meetings with SME's. The techniques that will be used to identify risk at the beginning of the project and on an ongoing basis are Brainstorming sessions, interviews and Affinity diagrams, followed by Focused Groups for risks concerning time – cost – quality – scope risks and Facilitated Workshops for other Risks types. At the end of every meeting, Checklists will be used to discover any missed Risks. Moreover, FMEA and Influence diagrams will be made and used from SME's so as to have a base for Quantitative Analysis. Risk manager will be the moderator – facilitator of every meeting. At this process, the participants will not write down any "Potential Risk Owners" or "Potential Response" for the Identified Risks. During Project at the conclusion of each major milestone and before the approval of every major change request the Identify Risks process will be repeated. In case of virtual team, the Delphi technique will be used for 3 sessions and all appropriate documents will be send to SMEs by Risk Manager.

1.4 RISK ANALYSIS

1.4.1 All risks identified will be analyzed and clarified so that the risks can be effectively assessed. Both Qualitative and Quantitative analysis will be used.

1.4.2. Qualitative Analysis.

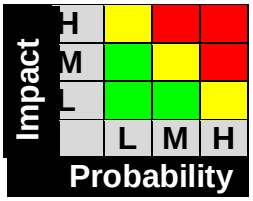
The probability and impact of occurrence for each identified risk will be assessed by the Risk Manager with inputs from the participants of the Focus Groups and Facilitated Workshops meetings so as to determine which risks are the top risks to be forwarded to Qualitative Analysis and which risks can be put in a watchlist. The following approach will be used:

Probability

- High – Greater than *<70%>* probability of occurrence
- Medium – Between *<30%>* and *<70%>* probability of occurrence
- Low – Below *<30%>* probability of occurrence

Impact

- High – Risk that has the potential to greatly impact project cost, project schedule or performance
- Medium – Risk that has the potential to slightly impact project cost, project schedule or performance
- Low – Risk that has relatively little impact on cost, schedule or performance



The Risk Score for every Risk will be calculated and the Project as a whole must have a Risk Project score no more than 50,00. If this is not possible then a Go/No Go meeting will take place with the Sponsor. Risks that fall within the RED and YELLOW zones will have risk response planning which may include both a risk

mitigation and a risk contingency plan. Any Risk receiving probability rating of 9 or higher will be consider an issue and will be putted in Issue Log template.

For inexperienced participants in meetings, use the table provided in Appendix A, to assess the expected impact level of an identified risk. The P.I. Matrix table that the team must use is provided in Appendix B.

1.4.2 Quantitative Risk Analysis

Analysis of risk events that have been prioritized using the Qualitative Risk analysis process and their effect on project activities will be estimated, a numerical rating applied to each risk based on this analysis, and then documented. Due to the importance of the Project the Contingency Reserve will not be calculated by EMV or Decision tree Analysis but by executing Monte Carlo and Latin Hypercube Analysis as well as Sensitivity Analysis by experts from EDDR company. The results of Sensitivity Analysis can update the Risk Register. The meeting with SME's will be held by Risk Manager supported by 3 members from the Risk Team. The results will be presented to the Project Manager and Sponsor to take their approval so as to forward the calculated Contingency Reserve amount to Cost department.

1.5 RISK RESPONSE PLANNING

Each major risk (those falling in the Red & Yellow zones) will be assigned to a project team member (called Risk Owner) for monitoring purposes to ensure that the risk will not "fall through the cracks". Secondary and Residual risks will be investigated and logged to Risk Register in order to be analyzed.
For each threat and according to its Risk Score, one of the following approaches will be selected to address it:

- **Avoid** – eliminate the threat by eliminating the cause
- **Mitigate** – Identify ways to reduce the probability or the impact of the risk
- **Accept** – Nothing will be done
- **Transfer** – Make another party responsible for the risk (buy insurance, outsourcing, etc.).

For each opportunity and according to its Risk Score, one of the following approaches will be selected to address it:

- **Exploit**– try everything so as the opportunity to occur.
- **Enhance** – Identify ways to increase the probability or the impact of the risk.
- **Accept** – Nothing will be done.
- **Share** – Find another party to work with so as make opportunity occur.

For each threat that will be mitigated, the project team will identify ways to prevent the risk from occurring or reduce its impact or probability of occurring. This may include prototyping, adding tasks to the project schedule, adding resources, etc.
For each threat that is to be mitigated or that is accepted, a course of action will be outlined for the event that the risk does materialize in order to minimize its impact.
All the Risk Response plans will be sent to Project Manager for approvement and

the required resources for each response will be calculated and compared to the existing ones.

For each risk in the *Risk Register* that is above the Risk Thresholds of a SH:

- Determine the options and actions to reduce the likelihood or consequences of impact to the project's objectives.
- Determine the response based on a cost/benefit analysis (cost vs. expected effectiveness).
- Describe the actions to be taken to mitigate the risk.
- Describe the Signs and Symptoms that may be indicators of Risk Event occurrence.
- Describe the actions to be taken when the risk event occurs (contingency plan).
- Assign responsibilities for each agreed-upon response.
- Assign a "due date" where risk responses are time-sensitive.
- Determine impact on project budget and schedule and make appropriate changes or additions to the project plan.
- In general:

  The Project Team develops a full response plan for each item rated as **High** risk.

  These risks will be watched closely.

  The Project Team should create a response plan for any Medium risk item where they deem it necessary.

  No action is required for Low risk items except to keep a watch on them as the project progresses.

All Response plans will be entered into the updated Risk Register.

1.6 RISK CONTROLLING AND REPORTING

The level of risk on a project will be tracked, monitored and reported throughout the project lifecycle. A "Top 10 Risk List" will be maintained by the project team and will be reported as a component of the project status reporting process for this project. All project change requests will be analyzed for their possible impact to the project risks.

Management will be notified of important changes to risk status as a component to the Executive Project Status Report and during Status Meetings.

Risk owners and team members can recommend that a risk must be closed but the Steering Committee can authorize the closure of high and medium level risks.

The Risk Register will be updated (at minimum) during weekly meetings and will be used to guide all the risk review sessions. Risk controlling and reporting will involve the following:

- High and medium level risks will be monitored weekly during regular team meetings. This is an opportunity for team members to provide updates and to ensure that they understand project risks.

- All risks will be monitored on an ad-hoc basis between the Risk Manager and the Risk Owner. Risk owners are expected to give regular updates to risk as follows: weekly if the risk is high; monthly if the risk is medium or low.
- High and Medium level risks will be reviewed monthly with the Steering Committee.

Moreover, systematic audits must be scheduled and inserted into the project schedule, so as to ensure the following:

- All requirements of the *Risk Management Plan* are being implemented.
- Assess currently defined risks as defined in the *Risk Register.*
- Evaluate effectiveness of actions taken.
- Identify status of actions to be taken.
- Validate previous risk assessment (likelihood and impact).
- Validate previous assumptions and state new assumptions
- Track risk responses.

2. ROLES – RESPONSIBILITIES

	Roles	Responsibilities
1.	Team members	• Raise risks. • Ensure the PM is informed of the risks.
2.	Risk Manager	• Logs risks in Risk Register. • Assigns an analyst to assess impact, probability and develop an action plan. • Maintains the Risk Register including detailed status information from each review session in the register. • Conducts regular risk review sessions with steering committee and Risk team to review risks. • Follows-through with risk owners independently of team meetings. • Escalates high impact risks to senior management for awareness and assistance.
3.	Risk Owner	• Regularly update team on status.
4.	Risk Action Owner	• Watch for Risk Triggers. • Implement Response plans. • Inform Risk Owner for the progress of Responses.
6.	Steering Committee	• Address high impact risks that the PM and team cannot manager on their own. • Must be aware of significant project risks and costs associated with the risks. • Authorize the closure of high/medium level risks.

3. BUDGETING

For all the Risk Management processes ……..$ is included Cost Management Plan and will be released accordingly so as to cover expenses including:

- Meetings.
- Expendables.
- Participation of SME's in various meetings.
- Conducting Monte Carlo and Latin Hypercube analysis.
- Plan Risk Responses.
- ……..

4. TIMING

For all the Risk Management processes the below activities must be included in the Schedule Management Plan:

- The Identify Risks process will be iterative and will start immediately.
- We will follow the Risk Flow as it is described in Risk Practice Standard from PMI.
- Meetings will not last more then 60 min. expect the ones of Identify Risk process.
- Monte Carlo and Latin Hypercube analysis must be completed not later then …..
- Status meetings will be conducted weekly.
- ……

5. RISK CATEGORIES (RBS).

During Risk Management it will be used the RBS template of Appendix C.

6. Definitions of Risk Probability and Impact.

During Risk Management we will use the Definitions of Risk Probability and Risk Impact as depicted in Appendix A and at paragraph 1.3 of this plan.

or

Default rating/scoring system is as follows:

Impact Score can be rated as 1, 3, 5, 7, or 9 (1 = Very Low, 9 = Very High).

Probability can be rated as 0.1, 0.3, 0.5, 0.7 or 0.9 (0.1 = Very Low, 0.9 = Very High).

Risk priority is determined by calculating a Risk Score (= Impact * Probability) and then comparing that Risk Score to Priority thresholds. Based on the scoring system the lowest possible Risk Score is 1 * 0.1 = .01 and the highest possible

Risk Score is 9 * 0.9 = 8.1

7. Stakeholder Risk Tolerances

As described at Stakeholder Register in Appendix D.

8. REPORTING

During the project only templates from "PMP Book of Forms" will be used and they will be modified accordingly to PMO instructions.

9. TRACKING.

For Tracking and Auditing activities as described in paragraph 1.6 of Risk Management plan. Also Lessons Learned will be send every week (Friday) to PMO and all information will incorporate into the Risk Register

The undersigned acknowledge they have reviewed the **Risk Management Plan** for the *<Project Name>* project. Changes to this Risk Management Plan will be coordinated with and approved by the undersigned or their designated representatives.

[List the individuals whose signatures are desired. Examples of such individuals are Business Steward, Project Manager or Project Sponsor. Add additional lines for signature as necessary. Although signatures are desired, they are not always required to move forward with the practices outlined within this document.]

Signature: _____ Date: _____

Print Name: _____

Title: _____

Role: _____

Signature: _____ Date: _____

Print Name: _____

Title: _____

Role: _____

Signature: _____ Date: _____

Print Name: _____

Title: _____

Role: _____

APPENDIX A: REFERENCES

[Insert the name, version number, description, and physical location of any documents referenced in this document. Add rows to the table as necessary.]

The following table summarizes the documents referenced in this document.

Document Name and Version	Description	Location
<Document Name and Version Number>	*[Provide description of the document]*	*<URL or Network path where document is located>*

Impact scales

Defined Conditions for Impact Scales of a Risk on Major Project Objectives (Examples are shown for negative impacts only)					
Project Objective	Relative or numerical scales are shown				
	Very low /05	Low /.10	Moderate /.20	High /.40	Very high /.80
Cost	Insignificant cost increase	<10% cost increase	10-20% cost increase	20-40% cost increase	>40% cost increase
Time	Insignificant time increase	<5% time increase	5-10% time increase	10-20% time increase	>20% time increase
Scope	Scope decrease barely noticeable	Minor areas of scope affected	Major areas of scope affected	Scope reduction unacceptable to sponsor	Project end item is effectively useless
Quality	Quality degradation barely noticeable	Only very demanding applications are affected	Quality reduction requires sponsor approval	Quality reduction unacceptable to sponsor	Project end item is effectively useless

APPENDIX B: REFERENCES

[Insert the name, version number, description, and physical location of any documents referenced in this document. Add rows to the table as necessary.]

The following table summarizes the documents referenced in this document.

Document Name and Version	Description	Location
<Document Name and Version Number>	*[Provide description of the document]*	*<URL or Network path where document is located>*

Probability and Impact Matrix

Probability	Threats					Opportunities				
0.80	.80	1.60	2.40	3.20	4.00	4.00	3.20	2.40	1.60	.80
0.60	.60	1.20	1.80	2.40	3.00	3.00	2.40	1.80	1.20	.60
0.40	.40	.80	1.20	1.60	2.00	2.00	1.60	1.20	.80	.40
0.20	.20	.40	.60	.80	1.00	1.00	.80	.60	.40	.20
Impact >	1	2	3	4	5	5	4	3	2	1

APPENDIX C: REFERENCES

[Insert the name, version number, description, and physical location of any documents referenced in this document. Add rows to the table as necessary.]

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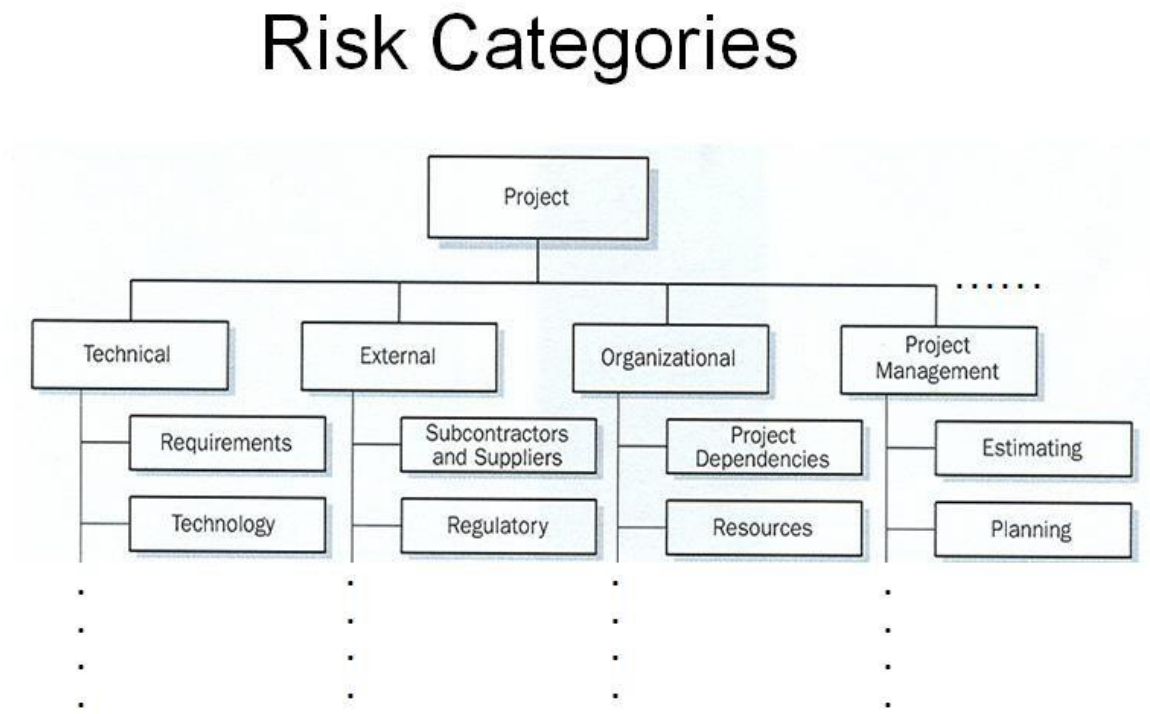

APPENDIX D: REFERENCES

[Insert the name, version number, description, and physical location of any documents referenced in this document. Add rows to the table as necessary.]

The following table summarizes the documents referenced in this document.

Document Name and Version	Description	Location
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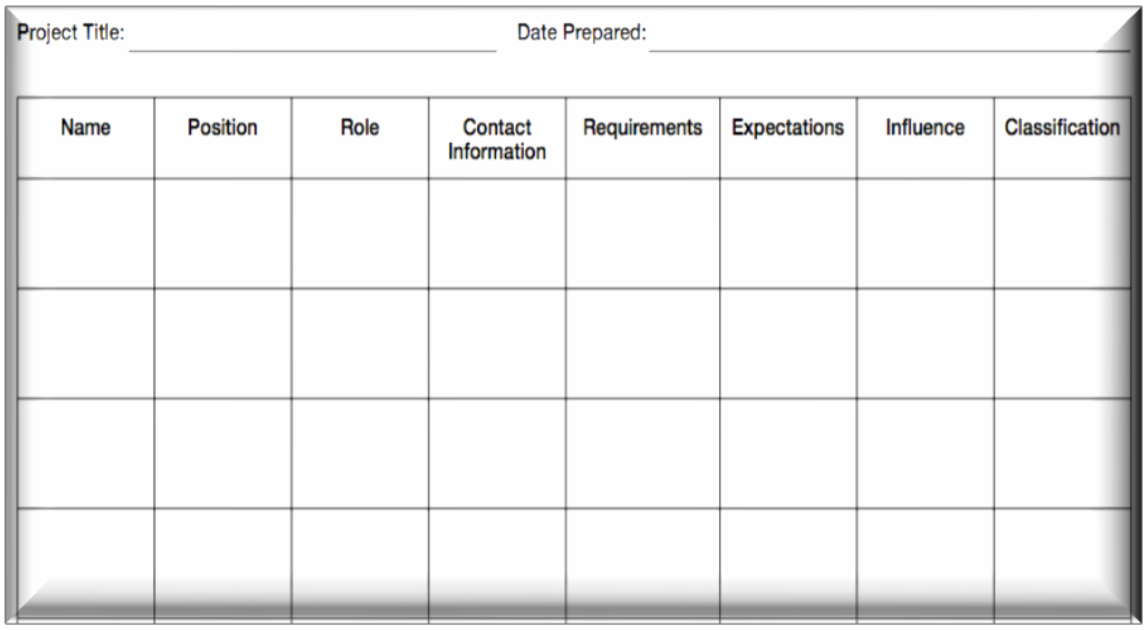

Project Title: _____ Date Prepared: _____

Name	Position	Role	Contact Information	Requirements	Expectations	Influence	Classification