Project x

Project X Risk control and monitoring is an important area of project management because it helps to locate and plan resources taking into account probability analysis and possible risks. Ineffective risk analysis leads to failure of the project and threatens its outcomes. Risk management involves different techniques and methods which allow top management to predict potential risks and eliminate their hazardous effects on the project. Project X requires special methods and practices in order to ensure high safety and low level of risks. Monitoring could come in the form of auditing, internal controls, policies and procedures, budget restrictions, and the like all of which can be enforced at some costs given the assumption of symmetric information (Frame, 2003). The main techniques of risk monitoring include assessment, cross-functional teams, inspection, interviews, reports, observations and reviewing.

The most usual ones of these are inspection and control charts, and it is possible to use flowcharting and trend analysis to see whether production facilities and budget to the norm or getting worse. However, these tools are used rather late in the day and are more to do with correcting errors and confirming that what is being delivered is what is required. More emphasis needs to be placed on making sure the correct quality or performance is specified at the outset and clearer recognition of the need for a well-motivated team that clearly understands the project. Some researchers underline that performance monitoring is a part of risk management and control. “ Performance monitoring involves measuring operational activities, analyzing the resulting metrics, and comparing them to internally established standards and industry benchmarks to assess the effectiveness and efficiency of existing operations” (Risk Monitoring and Reporting, n. d.).

For project X, the most effective monitoring and control methods will be assessment, cross-functional teams and inspection. Cross-functional teams perform an important role in organizations joining different project areas. To achieve the task requires clear definition, good planning, clear roles and responsibilities, appropriate resources and regular reviews as the project proceeds. Inspection (independent monitoring) will help managers to provide external analysis of the resources, current technological processes and compare them with established standards (applied to the industry in general). Interviews and reports can be identified as internal control methods, which allow a manager to monitor performance, possible difficulties and deviations from the standards. These methods will be effective in budget risk and quality risks control. Observations and reviewing are subjective methods of analysis, although they can help a manager to identify current organizational performance and introduce necessary changes. These monitoring methods can be applied to staff monitoring and analysis of corporate culture, communication patterns and professionalism (motivation and job performance) of some employees (Crouhy et al 2000). Another classification of risk control is based in design and administrative control methods. The authors argue: “ the aim of job redesign is to make sure that all components of a task are arranged to reduce the risk of injury” (Methods Of Risk Control, 2006). Management action must be quick and flexible to take advantage of changes in environment and provide mechanical aids. These methods of control will be appropriate for external and internal risks (possible changes in project, regulations and political changes, etc). Administrative controls include: work organization, task organization and preventive maintenance programs. Risk control measures

can be based on automated procedures. In project X, the use of electronic equipment and more accurate programming enables information to be classified so that management can have sufficient information to act quickly. Some of the dependent variable data in the forecast may be significant and may be sensitive to variations in forecasted values of other independent variables. This can be applied to budget risks, resource risks and technical documentation. These techniques may help to reduce uncertainty of the future and possible threats. It is, though, necessary to ensure that management knows how to use the information and this means that risk management training must be sufficiently thorough.

References

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