

Risk management assignment

[Business](#), [Management](#)



Compare and contrast the advantages and disadvantages of pro-active & reactive management of IT risks based upon the reading assigned by Bacchanal " The Risk Ranking of Projects". Let's discuss these, based upon your assigned readings, with the entire class! Upload your 3 paragraph response here and in your Assignment Folder for grading, and respond to other Graduate student postings In this whole- class Conference. Proactive - The biggest advantage of being proactive is that proportioning the risk level of each project can be done well in advance.

The project with highest risk level can be given more focus and resources. It not only helps an IT Project Manager to determine the potential risks, but also decide on time & cost associated with a project. The PM can rate the key IT systems by looking for potential risks, and therefore assign steps to be taken in case of an emergency. With the help of constant monitoring & reporting, a proactive system can determine the issue before it happens. Rather than waiting for a ticket or bug report to be opened by a user, preemptive steps can be taken to avoid further Issues.

However since the paper does not discuss anything about the cost of the PR software produced by CAMS, I did some research online. It appears that these software can run at an average of \$2000 per user. And this might be a disadvantage to practice proactive management. The cost of maintenance & support are typically not Included in the software. Along with that, these software also have a unique interface that requires some form of training for MS to get used to using it Thus, the company needs to invest time & money to get required resources to get the knowledge. Reactive -

The only advantage of reactive management (I think) is that it makes the path for proactive management easy. The traditional reactive 'break,' model forces organizations to find workarounds for daily emergencies, system failures etc. These issues help them to be proactive and formalize a proper system, with steps, to follow in case the issue arises again. As Bacchanal explains in the paper, the process is continuously refined and further refinement is expected. On the other hand, the biggest disadvantage is the pressure that comes on to the Project Manager, in the absence of a proactive model.

At the time of a system crash or if a user is unable to access the company website, the PM has to immediately find resources that can look & fix the issue within moments notice. It not only gives a bad reputation to the PM. But the company's reputation is affected in front of the client Reference: Bacteria, D. & Archer, R. (1999). The risk ranking of projects: a methodology. *International Journal of Project Management* 19(2001), 139-145. Lahore, C. (n. D). The Disadvantage of Risk Management Software.

Retrieved from 1 OFF Reactive – Advantages: The only advantage that I see from reactive management is that it makes the path for proactive management very easy. The traditional reactive 'break/flux' model forces organizations to find solutions for daily emergencies, system failures and finding a workaround every time. These issues help them to be proactive and formalize a proper system with steps to follow in case the issue arises again. As Bacteria explains in the paper, the process is continuously refined and further refinement is expected.

Disadvantages: The biggest disadvantage is the pressure that comes on to the Project Manager, in the absence of a proactive model. At the time of a system crash or if a user is unable to access the company website, the PM has to immediately find resources that can look & fix the issue within moments notice. It not only gives a bad reputation to the PM, but the company's reputation is affected in front of the client. -Prioritize the risk level of each project, so that an appropriate level of effort can be applied for the completion of those projects. - IT Project Managers should rate the key IT systems by looking for potential risks.

Take proactive steps that can be used by the software teams & staff to follow in case of any system failure. Having proper plan to manage the risk makes an efficient PM. It will also help in future planning when other risks are considered in a project within an organization. Rather than waiting for a ticket or bug report to be opened by a user and then reacting to the issue, with the help of constant monitoring of a proactive system the issue can be resolved before being reported. (<http://smelliness's.Chronic.Com/advantages-proactive-system-management-32165.HTML>)

Disadvantages:

The paper does not discuss the cost of the PR software produced by CAMS. However after doing some research online I found that the cost of such software averages around \$2000 per user (http://www.Owe.Com/list_6889854_disadvantages-risk-management-software.HTML). This

does not include the cost of maintenance & support. In addition, often this software is found to be rigid and difficult to use. Some sort of training might

be required in order to use this risk management software. Thus the company needs to invest money & time on particular individuals in order to gain that knowledge.