

# Identifying and managing project risk

Business



## Risk

A project risk is an uncertain event that, if occurs, has a positive or negative effect on the prospects of achieving project objectives. It is the product of these two factors: the expected consequences of the event and the probability that the event may occur[Ken09]. The use of Project risk management has been very important in the project in that it assists the team leader to plan for the occurrence and probability of certain risks in the project. Risk management provides good experience over time and therefore mitigation techniques are created beforehand such that these uncertain events can be accommodated. This is implemented using a project plan.

The project I was tasked to manage was to create a stock management system for a proprietor who sells computers and other accessories. The appreciation of risk management assists in getting the knowledge of the occurrence and probabilities of certain risks, planning for them and mitigation techniques to counter them. Risk management takes the step towards managing risks through selection, implementation, and control measures. This creates assurance and confidence in the project team in the event of any uncertain events occurring. Risk management has enabled creation of control measures in the project that was being created for the proprietor. Knowledge of risk enabled the creation of proper feedback mechanisms for the user of the system such that any problems encountered are directly communicated to the project team through the provided means. The project implementation encountered several surprise events that I will mention. This being an I. T system being built on an I. T environment, the users of the system is always bound to change requirements or the scope of

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the project. In this case, the proprietor had asked for a system that manages the data he uses, later he noticed that he needs some analytical tools that he did not mention. That had to be accommodated by the project team in the allocated time for change in requirements. As we discussed the project requirements, there were no provisions for security of the system by the user, which the project team identified. This prompted consultations with the proprietor about the importance of a secure system and this was handled effectively. This actually enhanced the user and developer communication for the effectiveness of the system.

Analysis of the risks over a number of project positively in that the information serves the purposes of allocating enough time for planned and unplanned events. The presence of allocating time for all these events ensures working under time plan, efficiency of the processes and high quality of the deliverables. These kind of plans allow for evaluation of the projects with previous ones for analytical purposes. Risk identification will be made easier due to the use of certain techniques like Gantt Charts and PERT charts, which enable the project team, identify risk occurrence and probability.

#### References

Ken09: , (Kendrick, 2009),