

Importance of having a risk plan

[Business](#), [Human Resources](#)



of Table of Contents Importance of Having a Risk Plan 3 Justifying the Value of Risk Planning4

Assessing Risk Management Levels4

Virtual Teams5

References6

Importance of Having a Risk Plan

A project is often accompanied by some uncertainty which occur in the beginning or mid way or at the project. This uncertainty is termed as the risk which has higher chances to occur during any time of a project. Risk management plans are thus made before the commencement of a particular project. The team members of the Satellite Development project had already created a risk management which will help them to commence with the project without facing any problem. The success of the project is also dependent on the risk plan which when made correctly indicates all the weak points of the project that can cause obstacle in the due course of the processes (McNeil, Frey and Embrechts, 2005).

However, if the plan is not developed by the team then the project will have to encounter many obstacles while making any decision regarding the potential responses from the project. The risk plan helps the team to identify the potential risk that is associated with the project and also assists them to arrange those risks in levels while commencing with the process. The absence of any risk plan can bring disaster to a particular project process. The team does not get any information about the risk that should be prioritized in order to avoid future loses that can lead to failure of the same. If the risk plan is not developed the project may face unforeseen issues from

the stakeholders and also from the customers of the organization who is undertaking the project. The problems arise due to the failure of technical performance by the team and the project finishing date gets delayed due to the obstacles (Charrel and Galarreta, 2007). The team in the satellite project reduces the risk of updating and logging through the risk plan. If the plan is not developed they have to face severe consequences during the commencement of the process. The risk plan also provides the team with the strategic actions that should be taken in case of any uncertainty. Thus, absence of such plan leads to the failure of the project since at times of emergency the team will have no strategic actions to perform (Kerzner, 2009).

Justifying the Value of Risk Planning

The risk management plan of the satellite project included consideration of effort, time and cost. The variables vary on the basis of the levels of the risk management stages. Thus there is necessity of understanding the value of risk planning (Khatta, 2008). The main and the vital advantage of risk planning is that it saves time and effort of the whole team and helps in finishing the project in time (Elbert, 2008). The risk management covers all the activities that are related to any uncertainty. After identification of the uncertainties, they are evaluated and respective actions are developed so as to reduce the chance of the failure of the project. Risk assessment and communication are broad aspects of the whole risk governance part, which undertakes systematic approach while managing risks that arise due to relevant participation in the events. Thus, it is justified that risk management commences as soon as hazards in the project are identified and evaluated.

Assessing Risk Management Levels

A risk management assessment is very precious for a particular project since the success of the same relies on it. It determines whether the project will be profitable or the extra time and effort will increase the cost of the project.

The levels of the risk management through the qualitative analysis of prioritized processes and based on the analysis the corrective actions are formulated. Quantitative analysis will assist the team holders to measure the risks that are involved with the process. The projects are evaluated to identify the minor and the major risks. The minor risks are taken care so that it does not turn into a major risk.

Virtual Teams

If the team members of the satellite projects are the part of a virtual team then the members will not be available for communicating with each other. There are possible two ways which will help them to work on the project and maintain its goal. They are as follows:

- 1) The project manager will use telephone and video conferencing for communicating within the organization. The team members can give their information to the project manager and the later spreads that information to the rest of the team members thus maintaining an effective communication.
- 2) There should be a human resource team which will ensure that the team members are communicating regularly. The project manager should certify that the team members meet once in a week and also during the end of the project so that they can collect information from each other and assimilate them for the success of the project.

References

<https://assignbuster.com/importance-of-having-a-risk-plan/>

Charrel, P. and Galarreta, D. (2007). Project Management and Risk Management in Complex Projects. Netherlands: Springer.

Elbert, B., (2008). Introduction to Satellite Communication. Norwood: Artech House.

Kerzner, H. (2009). Project Management: A Systems Approach to Planning, Scheduling, and Controlling. New York: John Wiley & Sons.

Khatta, R. (2008). Risk Management. New Delhi: Global India Publications Pvt. Ltd.

McNeil, A., Frey, R., and Embrechts, P. (2005). Quantitative Risk Management: Concepts, Techniques, and Tools. New Jersey: Princeton University Press.