Risk management essay sample

ASSIGN BUSTER

- DEFINITION FOR RISK MANAGEMENT

The term risk management refers to the process designed for identifying, assessing and prioritizing risks of different kinds. It is prudent to note that once the risk has been identified. The managing director of the project will have to create a plan in order to reduce or completely do away with the negative impacts which may be associated with the risk.

- OBJECTIVES OF RISK MANAGEMENT

The fundamental objective of the risk management is to protect the project from being exposed. It is designed to help keep the project viable and to reduce financial risks. It is also designed to protect the employees, customers and the general public at large from the possible harm which might emerge as a result of fire or the acts of terrorism which may pose a negative effect to the project. Another objective of risk management is helping preserve the physical facilities, data, records and the physical assets owed by the stakeholders of the project.

- TERMS, ACRONYMS AND ABBREVIATIONS

JGWPDO junior global world program development officers

PMP project management plan

JGW . junior global world

PMMproject management manager

FTA . fault tree analysis

FMEA.. failure mode and effect analysis.

- RISK MANAGEMENT METHODS

Risk management methods shall include risk identification, risk analysis, risk response, and risk tracking and reporting. Note that the first three steps happen in sequence, and the final step, issue tracking and reporting, happens throughout the process.

This project shall employ both quantitative and qualitative methods for managing risks for project mentioned, the actions that have been taken to manage risks include, the methodological process through which our team will identify score and then finally rank the risks. It is prudent to note that the most likely and higher impacts risks are added to the project in order to ensure that the necessary steps are taken so as to implement the mitigation response at an appropriate time so as to avoid huge losses. In this project each manager is assigned a particular risk to monitor. It is therefore his/her responsibility to ensure that the status updates of their assigned risks are provided weekly or at a fortnight during the project teams meetings that shall always be scheduled. Upon the completion of the project, each risk shall be analyzed together with the risk management processes. After the risks have been identified, areas that call for improvements shall be made as part of the long term plan to ensure that the risks that might affect the projects are prevented in good time.

- RISK IDENTIFICATION PROCESS

The main purpose of risk identification is to find the root cause of the risk. The JUNIOR GLOBAL WORLD PROJECT is fully dedicated to ensure that all the root cause of the risk are identified and proper mitigation put in place. However, to effectively identify the root cause of the risks, it calls for

collective responsibility. All the shareholders will have to be very vigilant in risk identification process if it is to be successful.

In this project, the process of risk identification shall commence as early as possible and will be continued for the rest of the lifecycle of the project. It shall be performed at all the levels of the project and across all levels of the project. It is important to acknowledge the fact that various risk identification tools exist, however, for this project; the following are the proposed methods to be used during the preparation stage of the project.

- Fault tree analysis(FTA)

- Risk assessment workshops

- Brainstorming sessions

- External reviews of risk register

- Failure mode and effect analysis (FMEA)

- Using knowledge, expertise and experience of team.

- Structured or semi-structured interviews with experts

The process shall be initiated by the JGWPDG by drafting the first high level risk register. This register shall then be reviewed within various groups and domains after which the necessary changes shall be fed back to the JGWPDG. The challenges Identified shall then be evaluated by the JGWPDG and then the relevant risks identified during the process shall be added to the risk register. The risk register shall then be updated and baselined and then managed and reported often.

It is crucial to note that risk register may not mean that the process of risk identification process has fully been taken care of or completed; instead it is important that other things such as the risk reporting template be developed

in order to facilitate and streamline the risk identification process. The JGWP will therefore develop a risk reporting template in order to streamline the process. The following are some of the importance that shall be brought by the risk reporting template.

- Serve as a mechanism to trigger the risk management process

- As a tool to supply all the relevant information related to the risk

- RISK ANALYSIS

After the risk have been identified and reported, a systematic procedure shall be set to analyze the identified sources of risk. During the risk analysis, depth of the analysis will vary depending on the magnitude of the risk. Risk analysis will range from very simple to complex depending on the possible impact of the risk and its scope. Both the old and the newly identified risk shall be analyzed, their magnitude measured and proper mechanism put in place to prevent the risks.

The aim of the analysis will be to ensure that comprehensive understanding of the risk is provided so as to ensure that best inputs are provided for risk evaluation process. At this stage, the team (JGWP). Will ensure that possible causes and the sources of risk, impact of the risk and the likelihood of the occurrence of risk is fully identified, investigated and recorded. It is from here that detailed description of the risk, results of all the impact analysis performed and supporting documents shall be done.

- RISK ASSESSMENT

This section will outline how risks are assessed and quantified. Risk assessment activity is very crucial in the organization because it helps to

substantially reduce the possibility of occurrence of disaster. After the risks have been identified, decision will be made on who are likely to be harmed and how, the risks shall then be evaluated and then precautions be taken, the result shall then be recorded and evaluated and then finally the assessment shall be reviewed updated regularly. Risks shall then be recorded in the risk register by mapping of the likelihood and consequences of the risk onto the risk matrix. New risks reported shall be re-evaluated and prioritized in the context of all other already existing risks.

RISK PRIORITISATION

The risks shall be prioritized in the following basis:

- HIGH-mitigation strategies will be developed and implemented as a matter of priority
- MEDIUM-these will be next level of risks to be addressed after the high risks have been implemented and mitigated.
- LOW-these risks shall be addressed once the high and medium risks are under control.
It is important to note that it will be possible for anew risk to be prioritized above risks already being mitigated. Therefore JGWP will ensure that the new risk recorded is properly planned to accommodate the new higher risk.

RISK DEFINITION

Here the definition for risk assessment and prioritization shall be provided

Risk assessment in the context of the Junior Global World project refers to systematic method of I identifying hazards, analyzing and evaluating the risk

associated with the hazard and finally deciding on the appropriate ways to eliminate or control the hazard. It also mean thorough look at the workplace by identifying situations, processes that may cause harm to the organization. On the other hand risk prioritization means classifying risks depending on their magnitude. Risks can be classified in the following ways. High, medium and low.

5. 2. 2. 1 Probability definition.

Risk response refers to the appropriate steps taken to mitigate risks upon realization. This section will outline how the team shall respond to the identified risk. The following risk response strategies shall be adopted by the group depending on the severity of the risk.

- Risk acceptance

- Risk avoidance

- Risk transfer

- Risk mitigation

Risk planning will include: resources, schedule, reporting and monitoring requirement and the proposed actions to be taken.

- Risk Response Planning
The team will plan for the risk by making available the resources necessary for responding to risk such as fire extinguisher and bell which shall be used to alert people about the risk. Activities such as reporting and monitoring requirement shall also be put in place.
- Risk Response
The Project Manager will, in consultation with others, determine activities for

responding to issues. The Project Manager will also assign these activities to appropriate team members and is responsible for monitoring whether or not these activities are being completed and whether or not they are effective in reducing the impact of an issue.

The team will respond to the occurrence of risk by accepting, avoiding, transfer or mitigation of the risk. For instance in mitigating risk, the team will ensure that resources that are crucial for mitigation such as fire extinguisher are put in place in case of fire. First aid kits are also made available so as to take care of the injured employees in case the risk occurs. Bells that a leart people when there is fire breakout shall be put in place in order to ensure that mitigation measures are put in place. In risk avoidance, the identified source of risk shall be terminated completely or replaced with an alternative that has a more acceptable risk. In case the risk is less severe, it shall be transferred to another party. In cases where risk shall be deemed to be within the risk profile of the project, then such a risk shall be accepted.

- Risk Tracking And Reporting

Risk tracking process shall be carried out by the relevant specialist from the JGWPDO. A performance management indicator system over the entire program which the project management (PM) shall be used to evaluate the status of the project. The indicator system shall be designed to provide early warning of potential problems so as to allow management actions. The indicators will be closely monitored and updated in order to ensure that they provide the right information about risk. This will help to help track risk that may arise in the organization. The aim of risk tracking will be to lower the risk in the event that risk mitigation fails to work. The relevant risks that are

tracked shall be reported in the risk register. The risks identified during the tracking process shall be reported in the risk register depending on the following:

- Frequency of exposure

- Probability of occurrence

- Percentage of the workforce exposed

- Risk Management Process

The risk management for JGW shall be carried as described in the following figure. The process of risk management process in JUNIOR GLOBAL WORLD PROJECT shall be continuous as indicated by the diagram below in the risk management process map. This is because new risk will continue a rising in the project hence the need to continuously manage risks.

Risk shall be identified during the inception phase after which a list shall be developed that encompasses mitigation and contingencies plans for each risk identified. Risk shall be analyzed by identifying the most probable threats to the organization and then analyze their probability of occurrence. Risk shall also be analyzed by classifying them as high, medium and low risks. Instance, high. Risks shall be logged by placing them in the risk log register. Risks shall be tracked by employing the employing the use of risk indicator system. The indicator system shall be designed to provide early warning of potential problems so as to allow management actions. The indicators will be closely monitored and updated in order to ensure that they provide the right information about risk. This will help to help track risk that may arise in the organization. Risk identified shall be reported in the risk register.

Risk management process narrative

- Risk Management Process Map

Risk management process narrative

SURVEY QUESTIONNAIRE

- what are the threats associated with the project

- what are the weakness of the project

- What are the opportunities that the project might generate

- What are the strengths of the project

RISK CONTROL ACTIVITIES

For the sake of this project, they will be classified into two

- Preventive activities

- Detective activities

The following are some of the control activities which shall be applied in this project

Review and approval; control measures put in place shall be continuously reviewed in order to ensure that they remain accurate.

Verification; the activities put in place for control shall be verified before the actual process which can result to risk

Education training and coaching; the members shall be trained on the use of certain machines in the project so as to ensure that no risk result from negligence.

Segregation of duties; the duties shall be segregated so as minimize risks such as fraudulent activities.

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