

Risk management process course work

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



Introduction

Risks refer to the chances of an event to take place due to a given action taken by an individual or an organization. The action taken normally has a possibility of yielding into a negative or positive result. Thus, an individual or organization needs to have adequate knowledge on the possible outcome before involving in an activity since this will affect an organization's movement. Risk management likewise refers to the systematic selection of cost effective methods for the sake of limiting the effect of threat to an organization. It is impossible to avoid the effects of risks fully in an organization, thus the management must accept a certain degree of risks in an organization's daily operations.

A well-planned Business continuity program will help an organization to deal with the effects of experienced risks. The management team should communicate risks within a favorable period to enhance communal and individual participation. An organization has a key role to identify the risks, analyze, mitigate and control the risks attached to a project. These may involve accepting the risks, modifying the risks or stopping the project. This article analyses the possible factors that the ABM Company should put into consideration before executing the project of establishing a Defense department.

Risk management process starts with risk identification. This include the probable cause of the problem or rather the problem itself. Sources of the problem may be the employees and the stakeholders of the organization. The second step is to assess the risk. This is a special study covering the

possibility of risk occurrence on the execution of a given project. The assessment of risk will help the management in making a decision of whether to carry on with the project along with the risks attached to it or not. It will also help the management team to find out the highest risk factors, which should be given a special attention.

The third step involves mapping out factors like; the social dimension of risk management, the stakeholders and their purpose, and the grounds on which the risk will be solved and the possible limitations. After mapping out these factors, the risk management team should then define a structure for the activities involved and the agenda. These will help in the identification of the risk. The fifth step is to analyze the possible risks in the entire process. The risk should then be mitigated using the organization's resources like; employees and technological resources.

One way of risk alleviation is to transfer certain risks to others through signing of an agreement with other organizations at an agreed cost. For instance, an organization may decide to transmit the risk's cost to another organization or an individual under fixed- cost contract. Alternatively, the owner organization may retain the value of the risk based on the cost- plus- fee agreement. These will however depend on the organization's capability of managing risks. Lastly, an organization may also decide to terminate a project. This may result from the management team's realization of the projects ineffectiveness in the end. For example, the management may terminate a project whose execution may lead to the organization making

huge losses or a project whose implementation may not be realized within the time bound.

Project Risk management activities

Effective risk management involve numerous activities, these may include the following; planning of how well the risks attached to a project will be managed effectively. A proper timely plan should be made to ensure successful risk management. In coming up with a successful plan, the management should take into consideration factors like the financial budget, the risk management tasks and the division of responsibilities of the risk management. Another key factor it to appoint a risk officer. This should be a member of the risk management team separate from the project manager known as the risk officer. This individual should be responsible in forecasting possible problems that may result from the project in question.

The project management team should maintain a proper database on the live project risk. Thus, every identified risk should include details like the opening date, heading, a brief description, chances of occurrence and the value. Alternatively, an individual may be assigned to oversee the risk's resolution and the appropriate deadline for the resolution. Another activity is to create an unspecified risk-reporting guide. This allows the team members to alert the management on any foreseen risk on the project. The management team should prepare a mitigation plan for every risk that the management finds necessary to alleviate. Lastly, they should summarize the planned and the anticipated risks, the importance of risk mitigation and the required efforts for an effective risk management.

Potential Risk treatments

After identifying a risk and assessing it, the management may decide to avoid the risk. This entails evading an activity that may lead to the anticipated risk. For example, the organization may decide not to take up the project to avoid negative results that may effect from its execution. This however would also result in avoiding its possible benefits. The team may also resort to risk reduction; this involves the reduction of the harshness of the loss should it occur in the organization. For example, the organization may decide to hire external experts to work on the whole project as a means of evading the risks that may result from the execution of the project.

The risk management team may also decide to share the risk with another party. This may include resorting to other auxiliary services like insurance, which will come in to mitigate the anticipated losses should they occur.

Finally, the management may decide to retain the risk. This entails being prepared to adhere to the possible losses or benefits should they occur. This however may only be suitable for minor risks where the cost of the loss mitigation may be higher than the actual loss if it occurs. For instance taking up the security defense by the company may be more expensive than the consequences of not hiring the services.

How two of the following team members could integrate risk management into their jobs:

Nuclear scientist

These nuclear scientists conduct various studies in an organization to ensure that an organization is conversant with the ongoing trends that are likely to

affect its operations. For instance, the services that needs to be implemented for the success of the organization. These scientists should do a thorough study to find out the necessity of the project to the success of the organization. They should also do a study to find out alternative measures that the organization has against the establishment of the Defense department and the possible risks associated with these alternatives. This will help the risk management team in making a decision of whether to execute the project or not.

Engineers

The engineers always work towards the structuring of the organization's facilities for a smooth movement of the organization's operations. They also design structures that are essential for carrying out different activities in the organization. The engineers should work on the anti ballistic missiles using an appropriate design towards the success of the ABM' Defense project. They should also work on the maintenance of the firm's computers to ensure work accuracy. This will help in minimizing risks associated with the project. Finally, the engineers should also ensure that the machines are user- friendly and that the employees are well informed on the right data to use. This will help in minimizing of costs like; purchasing new machines.

Technologist/programmer

The technologists or supervisors have a responsibility of determining a clear channel of several activities in the organization. They should therefore coordinate to create a favorable environment for executing the risk management program towards the success of the project. They should

further work together towards informing the entire management team on the ways in which they can manage the undesired risks based on the prevailing technology. This may involve advising the team on an appropriate action to take to avoid unnecessary risks. They should also work together in monitoring the risk management process and avail feed back of the process to the employees and all stakeholders of the company.

Research associate

The research associates should work together towards identifying the possible risks in a project before the actual study. This will help in developing the appropriate measures of managing the probable risks effectively when they occur. The research associates should further understand the expenses that are associated with the risk management. These may include; sufficient time and funds. The associates should also draft and maintain an accurate database on the live project risks. They may also assign one of the associates to oversee the risk's resolution and the appropriate deadline for the resolution. The research associates should also create an unspecified risk-reporting guide. This allows the team members to alert the management on any foreseen risk on the project.

Facilities supervisor

The facilities supervisors have a responsibility of ensuring that the properties of an organization are maintained in a good condition to allow smooth movement of work in an organization. These supervisors should coordinate with each other to ascertain that the machines required for project implementation are in good shape to minimize risks that may result from use

of poor machines. They should also ensure that the machines in an organization are efficient based on the current technology. This will also enhance the implementation of the organization and the minimization of other costs machine-repair expenses. They should further promote risk awareness by educating the employees on the proper use of machines to prevent risks like accidents during the execution of a project.

Conclusion

Risk management is a very essential factor to consider when executing a project in an organization. This will help in avoiding possible losses thus achieving the organizational goals. Some of the factors to consider in project risk management include; the costs incurred, the available alternatives and their costs, informed employees among others. An improper assessment and prioritization of risks within an organization may result in time wastage. For example, the management team in dealing with risks whose occurrence is uncertain may spend much time. When the risk's certainty is very low then the organization may alternatively hold it and focus on the consequences of the risk.

Reference

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