

Planning Phase Risks

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WHAT'S COVERED

In this lesson, we'll discuss planning phase risks, which are risks that can occur during the planning phase of a project. Specifically, the following will be discussed:

1. Schedule Risk

It's the project manager's responsibility to review all the risks, and then determine which will be added to the risk registry. One risk is schedule risks.

Schedule risks are issues with the actual development of the project schedule, such as risks associated with estimates or dependencies, or issues that could occur along the critical path.

➞ **EXAMPLE** A manager of a project with the goal of creating a new shopping website for an organization will have tasks associated with payment processing.

If the organization has never done payment processing online before, then the time estimates for those tasks will have risks due to the lack of experience.

Here is what the risk would look like in the risk registry.

Date	Risk	Probability	Impact	Contingency
1/10	Inexperience with online shopping systems will cause variability in effort estimates	HIGH	MEDIUM	Have additional programming resources available if schedule slips

Notice that it is likely that this risk will occur due to the organization's inexperience.



HINT

Although almost any risk could impact the schedule, schedule risks refer only to those that affect the schedule's development.



TERM TO KNOW

Schedule Risks

2. Resource Risk

Resource risks are any issues that might arise with people or any other resource needed to complete the project.

➞ **EXAMPLE** Creating a shopping website will require experienced programmers, and there could be a risk that those programmers will not be available when needed.

Here is how this risk should be documented:

Date	Risk	Probability	Impact	Contingency
2/18	Senior programmers may not be available when needed for project	MEDIUM	MEDIUM	Contact department leads two weeks prior to the time programmers are needed to confirm availability Provide junior programmer more training



TERM TO KNOW

Resource Risks

Risks associated with people or equipment and materials that are involved in a project.

3. Deliverable Risk

Deliverable risks are risks with the actual deliverables. These involve possibilities such as the deliverables not performing as expected, or an organization having issues creating a deliverable with which it has little experience.

➞ **EXAMPLE** A shopping website project will need reliable backup systems as a deliverable, and there's a risk that the equipment chosen fails to operate as needed.

Here is how this risk should be documented:

Date	Risk	Probability	Impact	Contingency
2/18	Backup system does not perform as expected	LOW	HIGH	Move the installation of backup system earlier in the schedule so changes can be made if validation fails



TERM TO KNOW

Deliverable Risks

Risks associated with the successful completion of project deliverables.

4. Assumption Risk

Assumption risks are risks involving the assumptions that are made about a project during the creation of a project scope.

➞ **EXAMPLE** The shopping project assumes that PayFast will be the method used for all payment processing. If a decision is made to change from that system, there will be an impact on the project in terms of schedule and cost.

There might be a low probability that this change occurs, but there will be a medium impact if it does; therefore, this risk should be documented as shown below.

Date	Risk	Probability	Impact	Contingency
3/05	PayFast is not used as the payment processing system	LOW	MEDIUM	Code should be designed and programmed to allow use of another payment system, if needed



TERM TO KNOW

Assumption Risks

Risks associated with identified assumptions required for project success.

5. Risk Locations

The project manager should review the project scope, schedule, and plan to discover any risks, such as the ones we just discussed.



Anything that might impact the time, cost, or scope of a project should be considered. Remember that any impact on one of those variables will likely impact the other two.



SUMMARY

In this lesson, you learned about the categories of risk: schedule risks, resource risks, deliverable risks, and assumption risks. **Schedule risks** are risks associated with estimates or dependencies. **Resource risk** will likely involve people working on the project. **Deliverable risk** may include the product not performing up to expectations or standards. **Assumption risks** happen at the creation of a project scope. You also learned about **risk locations** and the areas that a project manager should review

Source: This work is adapted from sophia author jeff carroll.



TERMS TO KNOW

Assumption Risks

Risks associated with identified assumptions required for project success.

Deliverable Risks

Risks associated with the successful completion of project deliverables.

Resource Risks

Risks associated with people or equipment and materials that are involved in a project.

Schedule Risks

Risks associated with events that are key parts of the project schedule.