

## PROJECT RISK MANAGEMENT PLAN

<b>Project Name:</b>	
<b>Prepared by:</b>	
<b>Date (MM/DD/YYYY):</b>	

### Risk Management Strategy

**1. Define the risk management methodology to be used.** Section 1 of this table defines your risk management process. The risk management process is scalable to ensure that the level, type, and visibility of risk management are commensurate with both the risk and the importance of the project. Modify the text in this section to fit your process.

- **Risk Identification** – Identify risks through discussion with all major stakeholders. Also use the *Risk Assessment Questionnaire* and *Project Planning Risk Assessment Checklist*, augmented to include other project specific risks, as appropriate.
- **Risk Categorization** – Group the risks into categories by using the *Risk Assessment Questionnaire*. The project manager can create additional categories, as required.
- **Risk Probability and Impact Assessment** – Enter all risks into the *Risk Response Plan* document. For each risk identified, assess the risk event in terms of likelihood of occurrence (Risk Probability) and its effect on project objectives if the risk event occurs (Risk Severity = Impact Score). This information will be used to prioritize the risk using established threshold criteria.
- **Risk Prioritization** - Risks that meet the threshold criteria will be so noted in the *Risk Register*. These Risks will be prioritized.
- **Risk Response Planning** – For each risk in the *Risk Register* that is above the Risk Threshold:
  - Determine the options and actions to reduce the likelihood or consequences of impact to the project's objectives
  - Determine the response based on a cost/benefit analysis (cost vs. expected effectiveness)
  - Describe the actions to be taken to mitigate the risk
  - Describe the Signs and Symptoms that may be indicators of Risk Event occurrence
  - Describe the actions to be taken when the risk event occurs (contingency plan)
  - Assign responsibilities for each agreed-upon response
  - Assign a "due date" where risk responses are time-sensitive
  - Determine impact on project budget and schedule and make appropriate changes or additions to the project plan.
  - Incorporate this information into the *Risk Register*

## Risk Management Strategy

### ▪ Risk Response Tracking:

- Document the dates and the actions taken to mitigate the risk
- Document the actions taken when the risk event occurred (contingency plan)
- Document any subsequent actions taken
- Incorporate this information into the *Risk Register*

### ▪ Risk Monitoring - Establish systematic reviews and schedule them in the project schedule, ensuring the following reviews:

- Ensure that all requirements of the *Risk Management Plan* are being implemented
- Assess currently defined risks as defined in the *Risk Register*
- Evaluate effectiveness of actions taken
- Identify status of actions to be taken
- Validate previous risk assessment (likelihood and impact)
- Validate previous assumptions
- State new assumptions
- Identify new risks
- Track risk response
- Establish communications

### ▪ Risk Control

- Validate mitigation strategies and alternatives
- Take corrective action when actual events occur
- Assess impact on the project of actions taken (cost, time, resources)
- Identify new risks resulting from risk mitigation actions
- Ensure the Project Plan (including the *Risk Management Plan*) is maintained
- Ensure change control addresses risks associated with the proposed change
- Revise the *Risk Assessment Questionnaire*, *Project Planning Risk Assessment Checklist* and other risk management documents to capture results of mitigation actions.
- Revise *Risk Register*
- Establish communications

## 2. Define assumptions that have a significant impact on project risk:

## 3. Define the roles and responsibilities unique to the risk management function:

### ▪ Risk Management Team:

- <Team Member>
- <Team Member>
- <Team Member>

Risk Management Strategy	
<ul style="list-style-type: none"> <li>▪ Risk Response Tracking Coordinator:</li> </ul>	<ul style="list-style-type: none"> <li>▪ &lt;Name&gt;</li> </ul>
<b>4. Define risk management milestones (insert rows as needed):</b>	
<b>Milestone</b>	<b>Date (MM/DD/YYYY)</b>
<ul style="list-style-type: none"> <li>▪ <i>Risk Management Plan</i> approved</li> </ul>	
<ul style="list-style-type: none"> <li>▪ <i>Risk Assessment Questionnaire</i> tailored to project</li> </ul>	
<ul style="list-style-type: none"> <li>▪ <i>Risk Assessment Questionnaire and Project Planning Risk Evaluation Checklist</i> complete</li> </ul>	
<ul style="list-style-type: none"> <li>▪ <i>Risk Management Reviews</i> scheduled</li> </ul>	
<b>5. Define risk rating/scoring techniques (The project will rate each identified risk (e.g., Impact Score = High, Medium, Low) based on the likelihood that the risk event will occur and the effect on the project's objectives if the risk event occurs. This will be a subjective evaluation based on the experience of those assigned to the project's risk management team.) :</b>	
<p>Default rating/scoring system is as follows:</p> <p style="padding-left: 40px;"><i>Impact Score</i> can be rated as 1, 3, 5, 7, or 9 (1 = Very Low, 9 = Very High).</p> <p style="padding-left: 40px;"><i>Probability</i> can be rated as 0.1, 0.3, 0.5, 0.7 or 0.9 (0.1 = Very Low, 0.9 = Very High).</p>	
<b>6. Establish risk thresholds (Modify the text below to show how the project team will plan for risk events, e.g. "The project will establish risk responses for risk events that have been determined to have a rating of 'High'.")</b>	
<p>Risk priority is determined by calculating a Risk Score (= Impact * Probability) and then comparing that Risk Score to Priority thresholds.</p> <p>Based on the scoring system in section 5., the lowest possible Risk Score is 1 * 0.1 = .01 and the highest possible Risk Score is 9 * 0.9 = 8.1</p> <p>The following Priority Thresholds will be used to establish Risk Priority:</p> <p><b>Green</b> (Low Risk) &lt;= 2.5</p> <p><b>Yellow</b> (Medium Risk) between 2.5 and 6.5</p> <p><b>Red</b> (High Risk) &gt;= 6.5</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The Project Team develops a full response plan for each item rated as <b>High</b> risk. These risks are watched closely.</li> <li><input type="checkbox"/> The Project Team should create a response plan for any <b>Medium</b> risk item where they deem it necessary. However, in general no response plan is required for Medium risk items. Medium risks are monitored on a regular basis.</li> <li><input type="checkbox"/> No action is required for <b>Low</b> risk items except to keep a watch on them as the project progresses.</li> </ul> <p>All Risk items with a response plan are to be entered into the <i>Risk Register</i> document.</p>	
<b>7. Define risk communications:</b>	

Put your  
logo here

Put your  
organization  
name here

## Risk Management Strategy

### 8. Define risk-tracking process:

## Project Risk Management Plan Approval / Signatures

**Project Name:**

**Project Manager:**

*I have reviewed the information contained in this Project Risk Management Plan and agree:*

Name	Title	Signature	Date

*The signatures above indicate an understanding of the purpose and content of this document by those signing it. By signing this document, they agree to this as the formal Project Risk Management Plan document.*