APPENDIX B

Risk Register Instructions

Risk Identification

Get the right people together. Remember the "Magic 10."

Project Sponsor Project Manager Project Engineer Customer Representatives Budget Representative Procurement Representative HR Representative Quality Management Representative Operations / Support Representative "Aunt Sally"

List all risks mentioned by the group. This is not the time to argue.

Classify each risk as a Threat or Opportunity. Most risks will be classified as Threats.

Describe condition(s) or circumstance(s) that will cause the risk event to occur.

Specify the category that risk should be placed under. See Risk Categories worksheet for examples.

Qualitative Analysis

Assign Probability and Impact ratings to each risk.

Probability Ratings

	High Medium Low	70% to 99% chance that the risk event will occur 30% to 69% chance that the risk event will occur 1% to 29% chance that the risk event will occur
Impact Rat	tings	(Cost ranges can be adjusted to suit the project)
	High Medium Low	Cost will be \$500,000 or more Cost will be from \$100,000 to \$500,000 Cost will be \$1 to \$99,999

Analyze the High / High Risks in more detail.

Apply Probability Rating in the Probability % column Estimate the Impact Cost (\$)

The product of these two figures will be the Expected Monetary Value (EMV)

Use the EMV to rank order the High / High risks. Do NOT use the EMV for any other purpose... or bad things will happen.

Risk Response

Select the strategy for each risk, starting with the High / High risks.

Analyze the risk and develop a response strategy.

Most risks will be classified as threats. Most threats will be addressed through mitigation. Ask the following question:

"For a one time investment of \$_____, the risk can be mitigated."

Assign an owner (or lead) for each risk.

If possible, develop several mitigation strategies.

Continue to analyze and refine response strategies as the project is worked.

Risk Monitoring

Agree on the format and frequency for reviewing and updating the Risk Register.

Require risk owners to report regularly.

Decide on the format and frequency for reviewing the Risk Register with executive management.

The PI Matrix can be used to display project risks in a graphical format.

Risk Identification

Risk ID		Description of Risk Event	Date Entered	WBS #	Critical Path	Opportunity / Threat	Trigger	Category
1	Risk 1							
2	Risk 2							
3	Risk 3							
4	Risk 4							
5	Risk 5							
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Risk Analysis

Project:										
Risk ID		Description of Risk Event	WBS #	Probability	Impact	Description of Impact	Probability / Impact Matrix Cell location	Probability % (Only HH)	Impact \$	Expected Monetary Value
	Risk 1			Н	Н		HH			
2	Risk 2			М	М		MM			
3	Risk 3			М	L		ML			
4	Risk 4			Н	н		HH			
5	Risk 5			L	L		LL			
6										
7										
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Risk Response

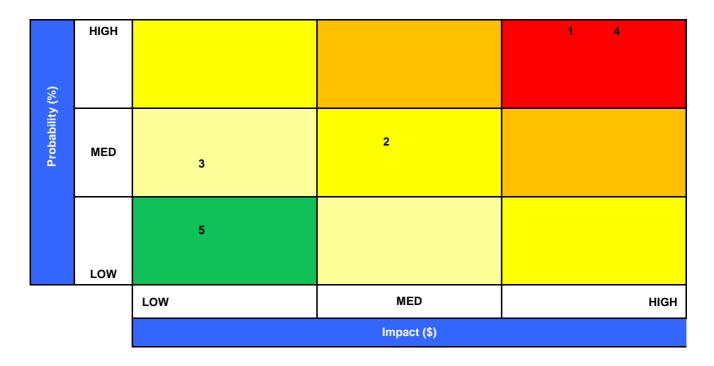
Project:											
Risk ID		Description of Risk Event	Avoid	Transfer	Mitigate	Accept	Owner (Primary/Backup)	Risk Response Strategy	Risk Status	Done By Date	Risk Response Status
	Risk 1										
	Risk 2										
	Risk 3										
	Risk 4										
	Risk 5										
6											
7											
8											
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Risk Status

roject:						
Risk ID	Description of Risk Event	Owner	P/I	Category	Risk Status Date Close	Risk Response Status
1	Risk 1		HH			•
2	Risk 2		MM			
3	Risk 3		ML			
4	Risk 4		HH			
5	Risk 5		LL			
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Project: 0

Updated:



Enter assigned Risk ID numbers developed during Analysis in appropriate cells above.

Risk Categories

Strategic Alignment

Project aligned with organization's mission & long range plans Clear objectives Commitment by senior management / executive stakeholders

Technology

Experience with HW/SW or applications Technical Innovation (using new software or hardware causing a delay) Relative skill level

Budget/Project Funding

Fund source - Grant money Legislative support

Schedules/deadlines

Impact on customer Operations Project development length Project Dependencies Computing resources

Requirements

Stability of Requirements Quality Requirements New business procedures/alterations Performance requirements

Project Management

Project Team physical location Estimating Planning (PM Plans) Communication Project manager experience

Complexity

Interfaces to other systems/services/product Impact on customer operations

Project Staffing Levels (Organization)

Background checks

Resources (competing projects consume available staff) Experience/Capability Use of contractors/part-time members

Training

Client Experience with product/system Relevant Skill Level with application/product Impact on customer Operations

External

Federal / State Laws EOG Mandates Audits Procurement Other related information systems Customer budget Political Visibility Government Regulatory and or oversight Public involvement

Operations (operational)

Equipment refresh Visible performance concern