

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	70% to 99% chance that the risk event will occur
Medium	30% to 69% chance that the risk event will occur
Low	1% to 29% chance that the risk event will occur

Impact Ratings (Cost ranges can be adjusted to suit the project)

High	Cost will be \$500,000 or more
Medium	Cost will be from \$100,000 to \$500,000
Low	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

Project:							
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						
6							
7							
8							
9							
10							
11							
12							
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14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							

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
1	Risk 1		H	H		HH			
2	Risk 2		M	M		MM			
3	Risk 3		M	L		ML			
4	Risk 4		H	H		HH			
5	Risk 5		L	L		LL			
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									

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
1	Risk 1									
2	Risk 2									
3	Risk 3									
4	Risk 4									
5	Risk 5									
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										

Risk Status

Project:							
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				
6							
7							
8							
9							
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11							
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16							
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18							
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21							
22							
23							
24							
25							

Probability / Impact Matrix

Project: 0

Updated:

Probability (%)	HIGH			1 4
	MED	3	2	
	LOW	5		
		LOW	MED	HIGH
		Impact (\$)		

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