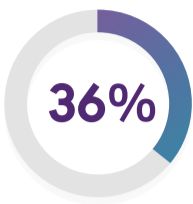


Is your risk-management approach consistent?

How well your project manager handles risk can be the difference between a project's success and failure. So why does the Project Community/ PMO rarely have or utilise a **standardised approach** to risk management?

While the answer is often unique to the situation, our experience across multiple industries shows there are a number of **universal considerations** that can help lay the groundwork for a more effective risk management process.



Only 36% of organisations say their PMs consistently apply a risk-management methodology throughout the lifecycle of projects. ¹ [↗](#)

7 KEY CONSIDERATIONS FOR RISK MANAGEMENT



Learn your organisation's risk culture and appetite
What level of exposure is too much?



Hold regular project risk meetings

Look to identify new risks, revisit those already identified and review the chosen risk treatment.



Map each risk

Consider both likelihood and consequence. Be clear on events, triggers and potential risk treatments.



Define the upside

Be clear about the potential positives of risk. What opportunities can be exploited?



Communication is key

Engage as risks/ issues arise, keeping stakeholders informed throughout.



Quantify

Timely and accurate data enables quality decision-making.



Stay nimble

The right recovery actions can – and do – save projects.

1 What are the major risks associated with this project?

2 Who will 'own' the risks? (Assign specific individuals)

3 Which risks must be escalated to the sponsor/ steering committee?

4 From previous projects, what are the 'blind spots' we need to address?

5 How can we plan for – and prevent – low-likelihood but high-impact events?

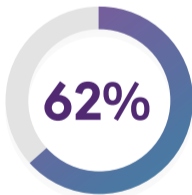
6 Where can we source the right skills to manage these risks?

6 QUESTIONS TO BUILD A MORE DISCIPLINED APPROACH

To guide you on your journey to becoming a more consistent risk manager, here are some questions that PMs should ask at the outset of any project.



Less than two in three (62%) of organisations identify and implement "recovery actions to address time and cost variations". ² [↗](#)



THE 'WHYS'

Once you've identified your project risks it's time to create a formal risk statement (or statements). To ensure the risk/s can be effectively managed, the key is to be clear and concise.

Alternatively, you can use the **cause-risk-effect** framework. Here's an example:

Try using the following three questions as a guide: ³ [↗](#)

1 What could happen?

2 Why could it happen?

3 Why do we care?

CAUSE

System analyst doesn't have experience in medical business software.

RISK

System analyst and the customer have difficulty communicating and understanding each other.

EFFECT

Inception phase will take more than 3 weeks, the customer may become frustrated and the project may be cancelled.



You can never eliminate risk entirely, but building a risk-aware culture and deploying a consistent risk-management approach can transform your PMO into a more capable operation.