ITS Project Management Office Newsletter

"If you don't know where you are going, how can you expect to get there?" – Basil S. Walsh

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From the BES Director's Desk

As an owner of many work activities here at Loyola I cannot stress enough how important it is to have insight into the risks you may have within your projects.

Every project has some level of uncertainty, it is inevitable. What I like to do is to get ahead of my risks and talk about them early so they do not sneak up on me. You can easily do this by simply talking with your project team about what worries they have or problems they are running into. If your project manager is not doing something like this already for you create a simple list yourself and review it each time the team gets together.

It will improve communication amongst the team and soon you will see the team removing risks before they even occur.

Jim Sibenaller
BES Director

EMERGE COURSE DATES

Take a Project Management class to learn the basics or advanced tools , techniques and resources to successful run a project.

♦ March 13

♦ May 17

♦ June 21

To register, please visit:
www.luc.edu/emerge

"WHAT IS RISK MANAGEMENT?"

Carlos Jarrin, PMO Manager

Risk management is an important aspect of project management and by definition, it is the process of identifying, mitigating and controlling known risks to increase the probability of achieving your project objectives.

Project risk is an unforeseen event or activity that can affect the projects' progress, result or outcome in a positive or negative way. Thus with risk management various project risk events can be understood and managed proactively, optimizing success by minimizing threats and maximizing opportunities.

"Risk" is not the same as "Issue". While "risk" is an event that has not happened yet (for e.g. it will likely snow tonight and this would make my drive back home longer), "an issue" on the other hand, is something that is happening or has already happened (for e.g. "it has been snowing for hours and my drive home will be longer").

Risk Recognition = Probability x Impact

EXAMPLE: Consider a *DISASTER RECOVERY Project* —> Fire in LUC Campus. The probability of a fire happening in LUC may be medium or a '3' while its impact could be catastrophic or a '5'.

Green	0-5
Yellow	6-15
Red	16-25

Risk = Probability (3) x Impact (5);
Thus, the Risk = (3) x (5);
Risk (15) = Yellow.

Acceptable Level of Risk: Most companies would invest against any risk equivalent to a '6' or above and may accept any risk below '6'.

"IDENTIFYING RISKS ON PROJECTS"

Florence Yun, Sr. PM

There are specific tools and techniques for identifying risk, which includes:

- **Brainstorming** – Project team performs with a set of experts who are not part of the team.
- **Interviewing** – Talking with experienced team members, stakeholders, and Subject Matter Experts (SMEs).
- **Root cause analysis** – Technique is to ask "why" 5 times to get to the cause, and then to develop preventive action.
- **SWOT** (Strengths, Weaknesses, Opportunities, Threats).

Ways to gather project risks:

- When speaking with the Sponsor, Stakeholder, SMEs or project team, ask them:
  ⇒ Do you have any worries or concerns with respect to…?
  ⇒ Why are you concerned or worried? Is it because of past experiences, a current state of affairs or intuition about possible future events?
- In the project meeting, ask the team if any risks have been identified since the last meeting that need to be discussed.
- When acquiring time estimates for completing activities, ask the person for a best-case and a worst-case estimate. Potential risks can be captured when you ask the person why they believe it will take that long to complete in a worst-case scenario.

Remember that identifying risk is an iterative process, and the entire project team should be involved.

"HOW TO SCORE & QUANTIFY RISK "

Heather Tomley Chester, Sr. PM

At Loyola, most projects identify risks and review/manage the risks throughout the life of the projects, escalating when needed. Some projects require quantifying risks (**likelihood** the risk will occur x **impact** of the people, resources, processes affected) on a 1-5 Likert scale (5 being the highest).

This level of risk helps identify thresholds of riskiest to least riskiest challenges on the project, and by identifying the highest risk items, they are then quantified in dollars to understand fiscal impact as well, so we can budget for the potential of these items.

If you are on a project where you are listing the risks, understanding what escalation steps will be taken to resolve the risk, and who is owning/managing the risk going forward, a more involved risk management process (as described above) is not needed. This is the most common and widely used form of risk management within Loyola ITS.

For more information, review our Risk Templates.

"A RISK-BASED APPROACH TO SOFTWARE VALIDATION"

Mary Bunker, Sr. PM

The traditional approach to software validation involves testing based on system requirements. A Requirements Traceability Matrix is a useful tool for associating test cases to different requirements to ensure adequate test coverage.

However, more recently, companies have been moving from an all-encompassing validation strategy to a more targeted methodology based on risk.

A functional risk assessment is a way to analyze software to determine the risk levels of individual functions so that testing can be appropriately scaled based on risk, which is in contrast to the traditional approach that assigns the same level of risk to all requirements. A function-based risk assessment is used to rate the risk factor for each function in the system to determine the level of testing required for each.

When time is invested in performing a risk assessment, a great deal of time can be saved on testing. In addition, time is spent focusing on testing the higher risk items and less or no time is spent on lower risk items in a functional risk approach.

The larger the effort, the greater the overall cost and time savings with this approach. However, note that this approach may not be suitable for companies or systems with a low-risk tolerance.

"HOW TO MANAGE RISK"

Warren Francis, PM

A Risk Management Plan can prepare you to deal with the risks you might encounter during the project. Once you have a Risk Management Plan, you are ready to deal with the risks when they become a reality. Once you have identified the risks, the next step is to develop a plan to analyze the identified risks.

Create a Risk Management Plan during the planning of your project. That way, you will be ready to implement that plan once the project is underway. Ask yourself two questions when dealing with risks.

First, what is the probability that the risk will occur? Second, how big of an impact will this have on the project? It is a team effort to analyze the risks. After you have identified the risk, the second step would be to prioritize the risk and decide how you are going to manage them.

Here are some examples of responses to risks:

If the risk is low-impact or low-probability, you may decide to accept the risk or ignore it.

Avoid risk is another approach. Changing the project scope before it is approved to remove a risk, or leaving plenty of time to finish the project can help avoid some risk.

Managing risk is easier because you can identify risks and develop a response plan in advance based on information you have. However, to complete your project successfully you must be very cautious, proactive, and open minded to manage risk and uncertainty.

CONTACT US:

To reach out to the PMO for any questions, comments, to ask about an engagement, or to just send us a message, please reach out to us at:

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