**PROJECT RISK
MANAGEMENT PLAN
TEMPLATE – EXAMPLE**

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| PROJECT NAME | Athletic Center Renovation |
| PROJECT OVERVIEW(the need) | Many areas of the college athletic center are dated; this project seeks to upgrade several areas of the athletic center. |
| PROJECT GOALS (the outcomes) | The renovation of the athletic center includes the following: the addition of two basketball courts and three pickleball courts and the construction of an Olympic-size swimming pool. |

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| PROJECT TIME PERIOD | November 20XX through May 20XX |
| PROJECT MANAGER | Ann Wilson |
| RISK MANAGEMENT PLAN VERSION | Version 1.0 |

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# Summary of Organizational Risk Management Goals and Strategy

This section should provide a summary of your organization’s overall approach and views regarding project risk and the importance of effective project risk management. This summary should include your goals and objectives, along with the benefits of good project risk management (e.g., less rework time, better cost/schedule control, higher customer satisfaction).

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| Risk management is an ongoing process that starts before a project begins and continues through the life of a project. Risk management includes risk identification, analysis, monitoring, and control. Throughout a project, our team identifies new risks and retires obsolete ones.We perform ongoing risk management concerning all of our projects for a number of reasons: It saves resources; it allows us to finish more projects on time and under budget; and it increases client satisfaction. |

# Purpose of Plan

This section should articulate how the project’s plan provides the following: an overview of all risk management and the documentation of the tools and procedures that you are using.

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| This plan is the controlling document for all of the processes and tools that we are using to manage and control risk regarding our athletic center renovation project. The plan enumerates the ways in which our team proposes to do the following: identify all possible risks to the project; assess the likelihood and impact of each of those risks; respond to potential risks with prevention and mitigation plans; record, track, report on, and deal with project risks. |

# Risk Management Strategy – Summary of Key Processes

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| PROCESS | Details on Tasks and Actions |
| RISK IDENTIFICATION | * How the team identifies risks
* When the team identifies risks
* How the team records risks and which team member records risks
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| RISK ASSESSMENT | * How the team performs risk assessment
* What the team includes in the risk matrix in order to determine the risk severity score
 |
| RISK RESPONSE | * An outline of the various ways in which the team can respond to risks
* The possible negative risk responses
* The possible positive risk responses
 |
| RISK MITIGATION | * The two phases of the risk mitigation process:
	+ Identifying the ways to reduce the likelihood or impact of an adverse risk event
	+ Creating a plan to deal with risk as it occurs
 |
| RISK TRACKING AND REPORTING | * The details regarding and the responsibilities for the project risk register
* The responsibilities for periodic project risk reporting to the stakeholders and organizational leaders
 |

# Risk Management Strategy – Details on Key Processes

## Risk Identification

Provide details concerning the following:

* How your team defines risk
* How your team identifies risks to the project
* The designation of responsibility for risk identification
* How the responsible party identifies risks and records them on the risk register and how that party determines what details to include

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| * The athletic center renovation project manager has overall responsibility for managing project risk, including the team’s risk identification process.
* The team identifies potential risks by reviewing the records of similar past construction projects, interviewing the project team members associated with past projects, and brainstorming with the members of the current project team.
* The team identifies potential risks before the start of the project, identifies new risks throughout the project, and continues to monitor and adjust its approach to risk assessment and response throughout the project.
* Some risks are inherent in the project itself, while other risks emerge based on external factors that are outside the control of the project team.
* Throughout the project, team members should bring any emerging risk factors to the attention of the athletic center renovation project manager. The project manager is responsible for logging the risk and its specific characteristics in the project risk register. The project risk register includes columns/sections pertaining to the following: the date on which the team identifies the risk; nature of the risk (i.e., positive or negative); risk category; risk description; risk severity score; risk trigger; mitigation/response plan; and member of the project team who “owns” the risk. We supply the team with a template of our organization’s project risk register.
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## Risk Assessment

Provide details concerning the following:

* How your team assesses the probability and potential impact of a risk
* The specific areas of impact your team assesses, i.e., the cost, program scope, program schedule, and performance/quality of the final product
* The details regarding any risk matrix your team uses to score the probability and impact of a risk, including the scoring values that the matrix assigns to certain levels of probability and impact
* How your team prioritizes risks based on risk scores

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| Our project team performs risk assessment by determining the probability that a potential risk might occur as well as evaluating the potential impact of such a risk. The team uses a risk matrix to determine the overall severity score of a risk. In order to calculate a risk’s severity score, we multiply the probability of a risk by that risk’s potential impact.The project team uses the following scale to assess the probability of a risk: frequent – 5; likely – 4; occasional – 3; seldom – 2; improbable – 1. The project team uses the following scale to assess the potential impact of a risk: catastrophic – 5; critical – 4; moderate – 3; minor – 2; negligible – 1.When assessing the potential impact of a risk, the project team considers the following: the cost; program scope; program schedule; and overall quality of the building upon completion. |

## Risk Response

Provide details concerning the following:

* The various ways in which your team can respond to the risks it identifies in the risk assessment phase, e.g., implementing a prevention or mitigation plan, sharing the risk via insurance, doing nothing
* How your team evaluates the cost and benefit of risk prevention and mitigation activities
* How your team assigns ownership of and responsibility for each activity in the mitigation plan

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| Our project team responds to each risk in one of the following ways:**NEGATIVE RISKS:****Avoid:** Change the project — the scope, objectives, etc. — to avoid the risk entirely.**Mitigate:** Take steps to reduce the likelihood or impact of the risk.**Transfer:** Shift the impact of the risk to a third party — for example, to a subcontractor or to an insurance company through the purchase of insurance.**Escalate:** Make sure that our organization’s leaders fully understand the specific risk; that way, they can take further action if necessary.**Accept:** Acknowledge the risk but make no changes. This response may be appropriate for unlikely risks, very minor risks, or risks that you cannot prevent or mitigate without incurring prohibitive costs.**POSITIVE RISKS:****Exploit:** Make changes in order to seize the positive risk or opportunity.**Share:** Add a partner to gain the positive risk or opportunity.**Enhance:** Work to increase the probability that the opportunity occurs. |

## Risk Mitigation

Provide details concerning the following:

* How your team plans to reduce the likelihood or impact of the occurrence of each adverse risk
* How your team monitors the effectiveness of the mitigation activities
* How your team revises mitigation activities when necessary

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| Our risk mitigation process involves two phases:* Identifying the activities and steps to reduce the likelihood or impact of an adverse event
* Creating a plan to deal with risk as it occurs

Taking steps to reduce the likelihood of an adverse event may prove more effective and cost efficient than dealing with the aftermath of an event. Still, the costs of preventing or mitigating certain risks may be prohibitive. Our project team must document prevention and mitigation activities in the athletic center renovation project risk register and review that information regularly. |

## Risk Tracking and Reporting

Provide details concerning the following:

* How your team tracks risks and team activities and reports on them to project stakeholders and organizational leaders
* Your team’s planned risk register / risk matrices

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| Before the beginning of the project, the project team begins recording possible risks in the athletic center renovation project risk register. The team continues to add risks to the register and adjust details on ongoing risks throughout the project. We provide the team with a template for the project risk register.The project team or project manager has the authority to immediately create and execute contingency plans for priority risks as events occur.The project manager is responsible for reporting periodically to stakeholders and organizational leaders on the status and progress of (as well as on issues regarding) the athletic center renovation project. |

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