Risk Tracking Overview and Capstone Implementation

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About Risk Tracking

Managed projects typically capture and track risks to achieving a specific or overall goal. While Capstone projects don’t need the same level of formal tracking as more complex projects, a basic assessment of risks to the Best Anticipated Outcome should be included.
Why Track Risk?

• Better understand your current project status
  • Everything may seem fine, but underlying risks might be jeopardizing your success

• Manage Expectations
  • Allow planning vs excuses

• Plan Mitigation Strategies
  • With time for them to be implemented

• A large number of unlikely events typically yields some that are realized
Risk Register

A *risk register* is a document that tracks risks, typically in the following areas:

- Risk Category – e.g. Scope, Time, Cost, Resources, Other
- Unique ID – For tracking purposes
- Dates – Added to Register, Retired, Latest Update
- Description – What is the risk and how will it affect the project
- Impact and Likelihood – e.g. Low, Medium, High
- Grade or Rank – Based on combined impact and likelihood
- Risk Trigger – How you know the risk has been realized
- Proposed Mitigations – Preventative and Contingency
- Risk Owner – Who is managing the risk
- Residual Risk – After realization and/or mitigations
Typical Risk Management Process

- Initial Risks are added to the Risk Register at the start of the program
- The Risk Register is reviewed regularly (e.g. every 2 weeks)
  - New risks are added
  - Old risks are assessed for change in status, impact, likelihood, etc
- Mitigation/Contingency plans are developed for high/medium grade risks
- Contingency plans are developed for lower grade risks
- Mitigation plans are implemented for high grade risks
Capstone Guidance

- Only track risks with a reasonable likelihood of occurring
- Remember that risks have a negative impact and *may* occur
  - Once it happens, it’s no longer a risk but an issue
  - Some programs have an *Opportunities Register* for positive events that may occur
- Identify:
  - Critical decisions that need to be made
  - Findings that need to occur
  - Schedule targets that need to be hit
  - Points of failure
  - Assumptions made
  - Critical resources
  - etc
  
  that would impact the Best Anticipated Outcome of the project.
- Work backwards from your Best Anticipated Outcome
Capstone Implementation

Add a table to your MPR with at least the following columns:

- Description of Risk
- Impact to the Project (Consequences if risk comes true)
- Likelihood of Risk Occurring
- Seriousness of Risk Occurring
- Grade of Risk (see below)
- Mitigation Strategy, if applicable

<table>
<thead>
<tr>
<th>Grade</th>
<th>Likelihood</th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>D</td>
<td>D</td>
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<td>C</td>
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<tr>
<td>Medium</td>
<td>D</td>
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<td>High</td>
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<td>B</td>
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<td>A</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Recommended Action by Risk Grade</th>
<th>Risk mitigation actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade A</td>
<td>Immediately identify and implement actions to reduce the likelihood and seriousness as a top priority.</td>
</tr>
<tr>
<td>Grade B</td>
<td>Identify actions to reduce the likelihood and seriousness to implement as the risk become more likely/serious.</td>
</tr>
<tr>
<td>Grade C</td>
<td>Identify actions to implement should the risk occur.</td>
</tr>
<tr>
<td>Grade D</td>
<td>Monitor the risk for changes in the future.</td>
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</tbody>
</table>