Risk – Heal Thyself

Question:

I am starting a project that looks pretty risky. I would like to tell my sponsor that the project is too risky to start now. We have already identified ten project risks with a rating of "high". What would you do – start the project and hope for the best?

Abdul

Answer:

Abdul,

Firstly you need to understand that everything in life has risk. Take yesterday for instance. When I woke up I had a risk of a scorpion in my shoe. (It was not there). When I had lunch I had to determine how many buttered rolls I could sneak out of the company cafeteria without anyone noticing. (The answer is six. They didn't notice.) There is always a risk when I drive home that I will hit someone. (Did not happen, but close). So, risk is a part of everyday life.

A risk is a future condition or circumstance that exists outside of the control of the project team that will have an adverse impact on the project if they occur. They have some probability and some impact on the project. For instance, in the game is Risk, if you try to conquer Kamchatka in northeast Asia, you take the risk of leaving your flank wide open for a sneak attack from Greenland!

I can tell from your email that you are a "glass half-empty" kind of guy. Why, if I started a project with ten major risks I would think it a cupcake project. It is not uncommon on my projects that I have 20 high risks or more. You don't hear me whining do you?

Well, even though you are not paying me a single zlotnak, I will still try to help you. Here is the step-by-step approach.

- **Identify**. First, make sure you identify all the high risks on the project. You need these as a ready excuse if you start having problems.
- **Analyze.** Look and see if it makes sense to manage the risk. I rarely have the time to work on the risks. Remember that risks are not 100% certain. They have some probability of happening. The chances are if you do nothing many of them will not happen anyway. This is what I call an effective use of your time.
- **Respond.** If you are really excited and don't have anything else to do, I guess you can put a risk plan in place. Remember there are multiple ways to respond to the risks. One of my favorites is called "leave it". In other words, this allows you to leave it to the sponsor or the next project manager to fix.
- **Control.** It is boring enough to do the risk planning one time. It is a real snoozer to monitor risks throughout the project. One technique I find helpful is to assign a Risk

Manager on your project. You can solute whenever you see the Risk Manager, and then let him do all the rest of the risk management work.

I am sure that if you follow my advice you will not go wrong.

Summary

If there are risk problems on a project, just tell your manager that you are not a fortune teller, and you cannot see the future. If you could see the future you would not be managing projects. You would do something to take advantage of it – perhaps something like seeing when your mother-in-law is coming to visit and then making sure you have something better to do.

Now that is a practical use of risk management that everyone can use.