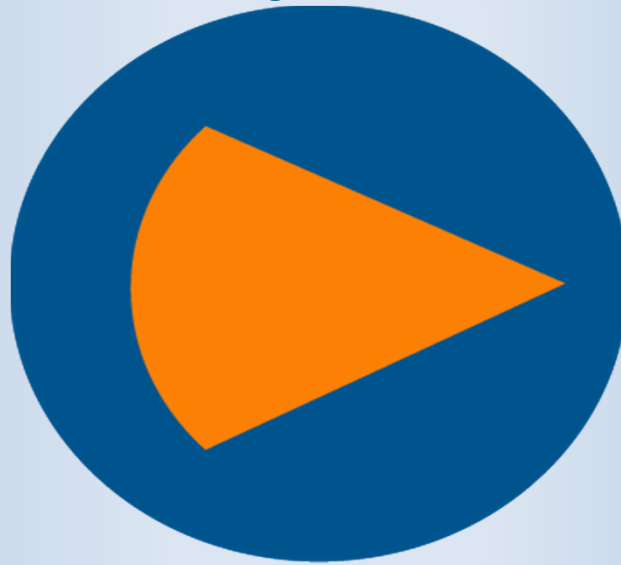


Advanced Project Management



Developing Risk Response Strategies

PROJECTinsight®

Project & Portfolio Management Software

Initiate Project Intelligence®

Things to Know...

- ▶ All participants will be on mute.
- ▶ Questions are welcome.
- ▶ Use the question box to ask questions.
- ▶ PM training is valid for 1 PDU
- ▶ Must be in attendance
- ▶ PDU certificate sent by the end of the week

X	Question	Asker

Submit questions here.

Send Privately Send to All

Moderator

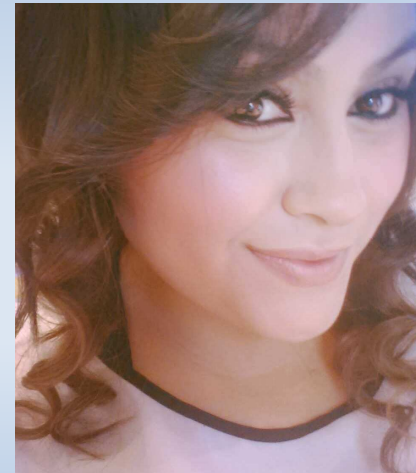
Denise Rodriguez

Project Insight

Marketing

marketing@projectinsight.net

Denise.Rodriguez@projectinsight.com



Presenter

Diane C. Altwies, MBA, PMP

CEO, Core Performance Concepts Inc.

Training in project management,

PMP® and CAPM® certification, leadership,

business analysis, agile and six sigma

daltwies@cpconcepts.net

www.coreperformanceconcepts.com

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Initiate Project Intelligence®

Presenter

Janice Y. Preston, MBA, CPA, PMP

COO, Core Performance Concepts Inc.

Training in project management,

PMP® and CAPM® certification, leadership,

business analysis, agile and six sigma

jypreston@cpconcepts.net

www.coreperformanceconcepts.com

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Panelist

Linda Iovinelli, PMP

Program Manager for a major financial institution

Instructor in IT project management, risk

management and PMP Preparation at University of

South Florida

liovinel@yahoo.com

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Panelist



Tim Covington, PMP

Senior Project Engineer

Boeing Defense, Space & Security (BDS)

Global Engineering Team

Instructor in Project Management at

University of California Irvine

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Goals of the Advanced Series



- Expand your knowledge of more complex tools and techniques
- Build leadership skills to manage people more effectively
- Identify practical ways to begin using advanced techniques
- Explore other methodologies or techniques that enhance project management competency

Poll: *Risk Response Strategies*

- ▶ How does your team develop response strategies?
 - We develop specific responses for risk events.
 - We identify strategies for categories of risks.
 - Everyone knows what to do about typical risks.
 - What? We haven't even identified risks!



Objectives of the Webinar

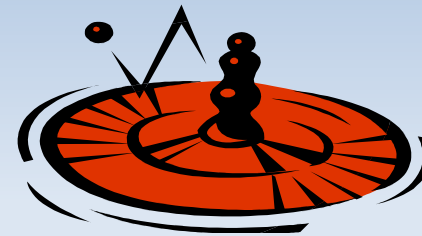
- ▶ At the end of this webinar, you will be able to:
 - List risk responses that can be implemented before the risk event happens
 - Identify responses to positive risk events
 - Illustrate how response plans change risk ranking
 - Describe the use of contingency plans



Risk Management Overview

▶ Purpose of risk management

- Maximize positive risk events
- Minimize negative risk events



▶ Responsibility of the Project Manager

- Communicate, communicate, communicate!
- Help senior management make good decisions



Managing Risk

► Steps

1. Plan for risk management
2. Identify risks
3. Assess, prioritize, and quantify risks
4. Plan responses and contingencies





Quote

Is prayer your primary risk strategy?

— Dr. David Hillson

Question for the Panel



- ▶ How does your organization generally view project risk management?

Threats and Opportunities

Threat Response	Generic Strategy	Opportunity Response
Avoid	Eliminate uncertainty	Exploit
Transfer	Allocate ownership	Share
Mitigate	Modify exposure	Enhance
Accept	Include in baseline	Accept

Responses to Threats

Upfront

(Proactive Responses)

- ***Transfer*** — shift to another
- ***Avoid*** — prevent or eliminate
- ***Mitigate*** — reduce probability and/or impact

On Occurrence

(Response on Demand)

- ***Active acceptance*** — develop contingency plans
- ***Passive acceptance*** — choose to do nothing

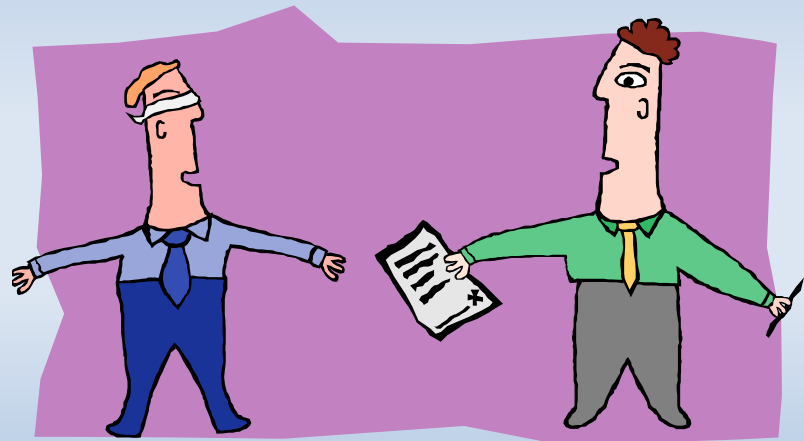
Avoidance



- ▶ Take action up front
- ▶ Prevent or eliminate
- ▶ Can't eliminate all risk

Transferring Risk

- ▶ Take action up front
- ▶ Shift or deflect
 - Contract
 - Insurance
- ▶ Can't shift all risks



Mitigation

- ▶ Take action up front
- ▶ Prevent or eliminate
- ▶ Can't eliminate all risk



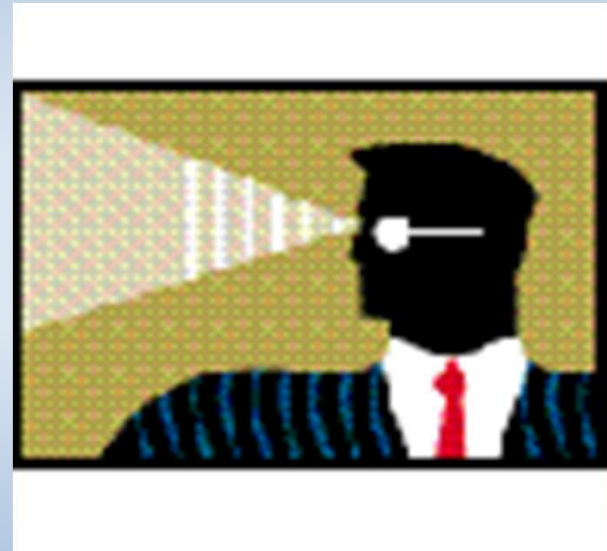
Question for the Panel



- ▶ What effort do project managers in your organization put into defining risk responses upfront?

Risk Response Owner

- ▶ Importance
- ▶ Who should it be?
- ▶ Responsibilities



Question for the Panel



- ▶ How do you define the risk response owner?

Accepting Risk



- ▶ Response for both opportunities and threats
- ▶ Passive – do nothing
- ▶ Active – establish contingency reserves or develop contingent response strategies
 - Identify the trigger!

When to Accept Risk

Accept risk when:

- ▶ Mitigation costs are higher than the expected value.
- ▶ Risk has been reduced to an acceptable level.
- ▶ The reward is great in proportion to the risk.
- ▶ Mgmt, sponsor, owners, regulators won't allow mitigation.
- ▶ The risk event has a low probability/low impact or a positive outcome.
- ▶ A contingency plan can be implemented easily.

Contingency Planning

- ▶ Planning includes:
 - Build contingency budget
 - Identify triggers and warning signs
 - Manage contingency budget
 - Develop contingencies for new risks identified

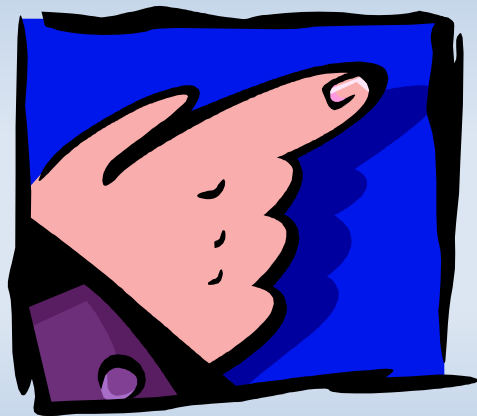


Question for the Panel



- ▶ What do you consider when planning for contingencies?

Risk Triggers



- ▶ Trigger – indicates a risk is about to occur
- ▶ Initiates a response
 - Take action
 - Implement contingency plan
 - Use contingency reserve

Question for the Panel



- ▶ What else do you recommend in responding to risk?

Review of Objectives

- ▶ What risk responses that can be implemented before the risk event happens?
- ▶ What are the responses to positive risk events?
- ▶ How do response plans change risk ranking?
- ▶ Describe the use of contingency plans.
- ▶ *Questions and answers???*

Compare Yourself to Your Peers



- ▶ *Want to know how you measure up to others in project management?*
 - Use the link distributed to all participants on Monday following the session to **answer 10 questions** about today's topic.
 - Receive a **summary of responses** so that you can compare yourself to your peers.

Special Promotion

Continue improving your project management skills. Core Performance Concepts offers a 10% discount on their online courses for anyone attending the webinar.

► Check them out today!

<http://clicky.me/cpc-pm>

2014 Advanced Webinar Series

► The 4th Wednesday of Every Month

- 8:00 am Pacific Time

► Topics

- **Dec** – no webinar; enjoy the holidays!
- **Jan 28th** – Validating Requirements
- **Feb 25th** – The “How To” of Using Social Networking in Talent Management

Register Ahead of Time

▶ Go to www.projectinsight.net

▶ 2 ways to register:

- Training & Support
- Project Insight Calendar



Earn PDUs

- ▶ You will automatically receive your PDUs certificate via email after the webinar
- ▶ For further questions: Denise.Rodriguez@projectinsight.com
- ▶ Earn 1 PDU for each webinar session attended
- ▶ To register your PDUs go to www.pmi.org and login as a member of PMI to record continuing education
- ▶ Select **Category B – Continuing Education**
 - Input start and end dates
 - Hours completed: 1
 - Provider name: Core Performance Concepts Inc.
 - Phone number: 949-859-7004
 - URL: www.coreperformanceconcepts.com
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Information Request

► Please go to

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to fill out the request information form to have a Project Insight Representative contact you.

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