

SHARE project brief no. 8 – Risk Management

Ray Powell
J. Andres Coca-Stefaniak

University of Greenwich

1. Introduction

The purpose of this brief is to give direction on the process of risk management when planning and delivering your local action plan (LAP). Risk management is the process whereby potential hazards which may threaten the successful delivery of the LAP are considered. It is also necessary to consider ways in which identified risks can be eliminated or at least mitigated, as well as establishing contingency plans in case they are required.

The successful management of a LAP depends upon your ability to plan, coordinate and perform the research and other tasks essential to the delivery of the plan.

Often risk assessment and management is not given sufficient priority in projects, and whilst this does not necessarily mean that the project will not be completed successfully, this approach has impacts on the staff and stakeholders involved in the project. For example, an unplanned approach can often lead to stress in members of the research team, crises management when deadlines are not effectively managed and a lack of time to deliver effective outcomes. So, in brief, your LAP needs to consider how risk is assessed and managed.

2. Why is risk management important to your LAP?

Effective risk management strategies enable you to consider the strengths, weaknesses, opportunities and threats of your LAP. There will always be surprises and planning for such eventualities will enable you to respond appropriately and effectively in a timely manner, thus helping you to keep the project on track. It is vital to the success of your project that you have plans in place to cope with the unexpected – and expected – difficulties which you will almost certainly face. Achieving your goals depends on planning and preparation and evaluating processes and procedures used to achieve those goals.

The risk management process contributes to project success by establishing a list of internal and external risks. Typically this assessment will identify potential and probable risks, the probability of occurrence, potential impacts and proposed actions. Risks and their impacts can vary from minor to major, but each must be considered as they are likely to cause disruption of the schedule or performance and delivery problems. By utilising risk management procedures, you make success more likely by eliminating or minimising identifiable risks.

3. Risk management process: things to consider

Below are some issues to consider and incorporate into your LAP. It is important that you clearly understand what success will look like at the end of your project. In other words, be absolutely clear about what you are trying to achieve. In particular, be aware of the difference between outputs and outcomes, including:

- Outputs are the physical deliverables of the LAP
- Outcomes are what happens as a result of the outputs
- Risk management is the process of ensuring both outputs and outcomes are actually produced in an appropriate and timely manner

3.1 Ensure risk management processes are integrated into your LAP



Identifying potential risks is not an automatic process. It will not happen unless you make it happen by ensuring your LAP acknowledges potential risks *and* develops effective contingency plans which provide clear directions as to the actions which can or will be taken to deal with issues if and when they arise.

3.2 Identify potential risks thoroughly and early

Identify risks by establishing effective procedures: establish key responsibilities for collecting and collating information and establish the decision making chain. All members of the team should be briefed to assess risks and know who to report them to in order to ensure effective action. This needs to be done *before* tasks are begun. Make sure you talk to colleagues who have experience of similar projects as well as paper or internet based research. A quick review of similar projects conducted before you begin can help you to avoid pitfalls and booby traps you may not even be aware of at this stage.

3.3 Communicate information clearly and appropriately

It is a common feature of failed projects that insufficient foresight and planning was conducted in the early stages. It is essential to make sure that risk communication is included in the tasks carried out. It is useful for individuals and teams to establish the habit of acknowledging (in team meetings, say) any identified risks and an awareness of possible contingencies.

3.4 Consider threats and opportunities

Risk management is not about emphasising the negatives. It is prudent to acknowledge them, and even more prudent to plan for them. Not planning will not make the problems go away! However, good risk management strategies will allow your LAP to deliver outputs to achieve the positive outcomes desirable.

3.5 Clarify responsibility issues

It is not enough for somebody to simply create a list of risks and then never update or refer to them again. It is important to clearly identify ownership: who is responsible for what risk. The most appropriate way to deal with this is to assign each identified risk to a named person who then has responsibility for monitoring and reporting on that risk. It is also, therefore, vital to establish good forums for reporting on those risks. It is helpful to include a “risk update” section as a standing part of any and all team meetings.

3.6 Prioritise risks

Not all risks are equal! Some risks have a higher impact than others, and some are more likely to happen. Therefore, a good starting position, having identified risks, is to consider the potential impacts of that risk and the likelihood of it occurring. Prioritise the biggest and most likely to happen risks for particular attention.

3.7 Analyse risks

Understanding the nature of risk is an essential precondition for enabling a good response. Don't jump to immediate conclusion without knowing what the risk is about. The best way to understand risk is to imagine the effects and the circumstances in which the causes may occur. Another approach is to focus on likely events preceding potential risk events occurring. Listing the different causes and events can help clarify the risk and establish potential solutions and preventative measures in advance.

Careful consideration of potential events at this stage can provide valuable insights and enable appropriate contingency plans.

3.8 Plan *and implement* risk responses

Careful planning and evaluation of risks is paramount. However, risk responses must also be actually implemented as required. Ideally this would prevent an identified risk from occurring in the first place, but also ensure effective remedial action should it be required if the risk does materialise.

Please note: this doesn't imply that all risks can necessarily be foreseen or even prevented, but it does mean risks are minimised and their impact mitigated.

3.9 Record risks

Establish and maintain a risk log. Keep track of identified risks and potential responses. Update it regularly. This will help you manage risk in your current project, and provide a useful repository of knowledge for any subsequent projects.



You may find it useful to use a risk matrix for each identified risk, similar to the one overleaf (fig 1.).

		Likelihood				
		Very low	Low	Moderate	High	Very High
Impact	Very High	M	H	H	H	H
	High	M	M	M	H	H
	Moderate	L	L	M	M	H
	Low	L	L	L	M	M
	Very Low	L	L	L	L	M

Figure 1. Risk matrix (source: researchgate.net)

3.10 Stakeholder planning and management

We can consider stakeholders to be people and organisations who have an interest and involvement in the project. It is likely any outcomes will have a direct or indirect effect on them. Poor management of stakeholders is probably the most significant risk your LAP faces, as stakeholder issues can often lead to communication breakdown and conflict between them, especially where individual stakeholders are competing for resources or proposing conflicting ideas.

Stakeholder management, then, may be considered a significant risk and should be prioritised in your LAP. There are four main steps to accomplish this:

- Identify stakeholders

- Assess their interest and influence
- Develop communication management plans
- Engage and influence stakeholders

Typical stakeholder groups will include, but is not necessarily limited to:

- Individuals and groups involved in producing the project
- Those groups affected by potential outcomes
- Any residents, local businesses and customers in the area
- Visitors and others not usually resident
- Statutory and regulatory bodies

Each stakeholder needs to be assessed according to potential impact. Those with an ability to directly affect outputs and outcomes are often referred to as “key stakeholders”, and it is worth having a system to rank stakeholders according to their potential impact and the scale of the impacts. A simple high/medium/low impact scale should suffice.

Understanding stakeholder concerns is crucial to your LAP, and it is worth spending time establishing rapport and seeking to understand concerns and potential conflicts as a key part of your risk assessment.

Communication with key stakeholders who have high levels of influence and/or impact sensitivities need to be managed differently to those stakeholders with limited or peripheral interest in the LAP.

Questions to consider when assessing stakeholders are:

- How will they be affected by the work?

- Will they be openly supportive, negative or ambivalent?
- What are their expectations and how can these be managed?
- Who and/or what influences the stakeholder's view of the project?
- Who would be the best person to engage with the stakeholder, and how?

The key outcomes of a stakeholder analysis are:

- An understanding of how stakeholders will influence and impact the LAP, and therefore identify essential risk management factors in advance
- An understanding of the potential or likely outcome affecting them

This process is dynamic, and like all risks needs to be regularly monitored and updated as required.

4. Typical risk issues you are likely to encounter

There are many risks which individual projects may face, and it is the responsibility of each team to take local conditions and factors into account. However, some potential risks are likely to be common to all. These are just some suggestions. This is not intended as a comprehensive list:

- One or more of the project team is unable to complete their allotted tasks
- Funding is withdrawn or is insufficient
- Poor quality data is obtained
- Key pieces of equipment break down, necessitating a change of approach

- Stakeholders are uncooperative, or even hostile
- Data is lost after collection
- Work is not completed in a timely fashion
- Personal safety or health issues of members of the team
- And many more ...

Remember the key risk management principles:

- Assess risks according to their impact and likelihood of occurring
- Establish contingency plans which can be smoothly put in place
- Enable effective communication and discussion with all parties, including your team

5. Managing risk as the LAP progresses

Having planned carefully, you need to make sure your LAP delivers. Monitor progress carefully and establish effective reporting procedures. The nature of likely risks will change over time, and ignored problems are unlikely to simply go away.

Revisit your LAP often and make sure desired outputs and outcomes are on course.

6. Suggested template for risk assessment

Individual partners may wish to develop their own templates, or perhaps use tested ones you have used before. Here are a couple of suggestions for a template which you can use. The essential elements are that it provides a way to record and monitor risk assessment *and* management practices.

Identified risk	Action needed	Priority	Responsibility for action	Target date for action	Date action completed

Table 1. Risk assessment template.

Alternatively, this template allows for a more detailed overview:

Risk assessments reviewed		Reviewed by:		Date:	
Responsible manager	Name:		Signed:		Date:

Identified Risk	Action needed	Who will take action	Priority H, M , L	Target Date	Date achieved

This action plan will be reviewed by (name and job role):						
Planned review dates:						
Once reviewed initial to confirm:						

Table 2. Alternative risk assessment template.

6.1 Exemplar identified risk

Identified risk	Action needed	Priority	Responsibility for action	Target date for action	Date action completed
Data is lost after collection	<p>Ensure effective back-up procedures to record data as it is collected.</p> <p>Collect data contemporaneously using two different methods, e.g. paper and recording.</p> <p>Potentially, review collecting the data again.</p> <p>Establish the significance of the loss to the overall project.</p>	High		Now	



the
UNIVERSITY
of
GREENWICH

SHARE project brief no.8 Risk Management



European Union
European Regional
Development Fund