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Risk Identification

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RISK IDENTIFICATION is the process of determining which risks might affect the project. Characteristics of each anticipated risk are documented. The PMP exam will cover this topic in testing.

RISK IDENTIFICATION IS AN ITERATIVE PROCESS because new risks become known as the project progresses. The project manager, project team members, the risk management team and experts, outside customers, end-users, stakeholders, and other project managers are responsible for identifying risks. However, all project personnel should be encouraged to identify risks. PMP Exam Preparation should include examples of this.

UNCERTAINTY found in project assumptions should be evaluated as a potential cause of risk.

IDENTIFIED RISKS are those that are known and not surprising, as well as root causes that are known. Assumptions about how these impact the project objectives or ultimate outcome may be uncertain. They can be planned for. ROOT CAUSES of risk are those fundamental conditions that give rise to an identified risk.

ENTERPRISE ENVIRONMENTAL FACTOR INPUTS USED IN RISK IDENTIFICATION include published information such as commercial databases, academic studies, benchmarking, and industry studies that help identify risks.

ORGANIZATIONAL PROCESS ASSET INPUTS USED IN RISK IDENTIFICATION include information from previous project files, as well as lessons learned and actual data.

KEY RISK MANAGEMENT PLAN INPUTS which contribute to the risk identification process include: roles and responsibilities, provisions for risk management activities in the budget and schedule, and categories of risk. These are expressed in an RBS.

TOOLS & TECHNIQUES USED IN IDENTIFYING RISK:

STRUCTURE DOCUMENTATION REVIEWS can provide risk information. The quality of the plans and consistency between those plans and project requirements and assumptions can indicate risks for the project.

BRAINSTORMING is an information gathering technique that involves a multidisciplinary set of experts, not on the team, who develop a comprehensive list of project risks. The brainstorming group uses categories of risk, such as a risk breakdown structure (RBS), as a framework for identifying risks. Risks are then categorized by type of risk.

CHECKLIST ANALYSIS consists of developed risk identification checklists based on historical information and knowledge accumulated from past similar projects. The lowest level RBS may be used as a risk checklist.

A tool that identifies project risks based on inaccuracies, inconsistencies, or incompleteness, is ASSUMPTION ANALYSIS. It explores the validity of assumptions as they apply to the project.

RISK DIAGRAMMING TECHNIQUES include:

system or process flowcharts

cause-and-effect diagrams

influence diagrams

SYSTEM OR PROCESS FLOWCHARTS show how elements of a system interrelate and the mechanism of causation, as well as interrelations that can cause risks.

ISHIKAWA OR FISHBONE DIAGRAMS are skeletal diagrams that are useful for identifying causes of risks.

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