

Risk Management Strategy Plan—Activity Definition**Purpose:**

The objective of this activity is to define how risks will be identified, determine who owns the responsibility of identifying risks, decide at what frequency the risks need to be revisited, identify the risk monitoring tool, determine to whom risks will be escalated, define how to manage risks, and how to handle issues that are likely to become risks.

Participants:

The Project Manager prepares this document.

Inputs:

Project Overview Statement [1], Work Plan [1], Project Approach [2], Business Case [4], Governance Document [4]

Process:

1. Determine a process by which risks to the project can be identified.
2. Determine the risk-monitoring tool the project will use.
3. Determine who owns the responsibility for identifying risks.
4. Define the roles and responsibilities for all resources (both within and external to the project) involved with the identification, review and mitigation of risks, and updating the risk matrix.
5. Decide the frequency for revisiting the risks and allowing newly identified ones to be defined and planned for.
6. Identify the stakeholders who will be informed of risks that might be severe and that have a high probability to occur.
7. Determine the type of strategies that will be used to manage risks.
8. Discern between issues and risks and determine how to preempt and identify issues that are likely to become risks.

Outputs:

Risk Management Plan

Risk Management Strategy Planning—Guidelines

1. Define the process for identification of risks. This process should identify the person who has the primary responsibility for identifying risks. It should also identify other stakeholders responsible for contributing to risk identification.
2. Determine the risk-monitoring tool the project will use. You can consider tools used in your area of work. A simple Excel sheet may serve the purpose.
3. Define roles and responsibilities for resources involved with the identification, review and mitigation of risks, and updating the risk matrix. Generally, the Project Manager is primarily responsible for driving the risk management process. But the Project Manager may identify a team member for this purpose.
4. Decide the frequency of revisiting the matrix. The frequency depends upon the length of the project. The risk matrix should not only be updated at the prescribed frequency but also on the occurrence of any event that might change the risk for the project.
5. Identify stakeholders who will be informed of risks that might be severe and that have a high probability to occur.
6. Determine the type of strategies that will be used to manage risks. Start considering various options you may have.