## 120374 Formative Assessments

**Formative assessment 1: Identify risks**

**Group activity**

Aim: To be able to identify project risks

Time:

30 minutes learning team work

30 minutes discussion

Task:

1. Break into learning teams
2. Identify a list of five project risks that could take place during the HIV/AIDS information and counselling project
3. List and describe the project risks as outlined in the example
4. Use the blank table provided
5. Transfer these risks to a table on a flip chart and prepare to preset your team’s risks

**Example: Risk identification and description**

**VENUS PROJECT: LIST OF IDENTIFIED RISKS/OPPORTUNITIES**

| **WBS &****Risk No** | **Risk/Opportunity Source** | **Risk/Opportunity Description** | **Possible Effect** |
| --- | --- | --- | --- |
| 01-01-R1 | Requirement change | **User Requirements.** Contracted statement of user requirements (scope) document and analysis findings do not match | Delay before consensus achieved and pilot project started |
| 01-01-R3 | Inadequate initial scoping | **Increased Number of Users.** Analysis of existing financial system reveals a requirement for the implementation of the Venus package for all the surrounding informal housing areas. The magnitude of this is estimated to be equivalent to the current project  | Extension/delay of the project or new project (added revenue) |
| 01-01-R4 | Unforeseen organizational changes  | **Organizational Change. Project** Analysis reveals that organizational changes within both the revenue and expenditure functions will have to be made in order for the application to function efficiently.  | Despite the fact that this is excluded from project scope, any delay in the implementation thereof will impact the project schedule |
| 01-01-R5 | Poor interpretation of initial scoping  | **Staff Location.** The current location of the staff may not be optimal for the implementation of the Venus application | Delay until staff, network outlay and network points and PC locations optimized, redrafted and approved. |
| 01-01-R6 | Client organization not fully prepared for system implementation | **Availability of Information.** Analysis of expenditure reveals that asset register and vehicle lists are inadequate (e.g. fragmented, non-existent) to implement Venus system | Delay until information is available |
| 01-01-R8 | Fear and resistance to change brought about by Venus system | **Resistance to Change.** Resistance to project team, reluctance to work with team, slow provision of required information | Delays, failure to obtain adequate information, delays in signing off deliverables |

Notes

1. **Row 1.** The column headings are outlined
2. **Column 1.**The reference number in the first column refers to the task number in the WBS
3. **Column 2.** The source or root cause of the risk or opportunity is described
4. **Column 3.** The risk/opportunity is described as comprehensively as possible
5. **Column 4.** The possible effect of the risk/opportunity on the project is briefly described

**LIST OF IDENTIFIED RISKS/OPPORTUNITIES**

**PROJECT NAME:**

| **WBS &****Risk No** | **Risk/Opportunity Source** | **Risk/Opportunity Description** | **Possible Effect** |
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**Formative assessment 2: Assess risks**

**Group activity**

**Aim:** To be able to assess project risks

**Time**:

30 minutes learning team work

30 minutes discussion

**Task:**

1. Break into learning teams. Study the list of project risks you compiled during the previous team activity
2. Assess each risk by using the likelihood and impact matrix above
3. Prioritise the list of risks as outlined in the example
4. Use the blank table provided
5. Transfer these risks to a table on a flip chart and prepare to preset your team’s prioritised risks

**Example: Prioritised Risks**

**VENUS PROJECT: PRIORITISED RISKS**

| **WBS &****Risk No** | **Risk/Opportunity Description** | **Risk Likelihood** | **Risk** **Impact** |
| --- | --- | --- | --- |
| 01-01-R3 | **Increased Number of Users.** Analysis of existing financial system reveals a requirement for the implementation of the Venus package for all the surrounding informal housing areas. The magnitude of this is estimated to be equivalent to the current project  | **High** | **High** |
| 01-01-R5 | **Staff Location.** The current location of the staff may not be optimal for the implementation of the Venus application | **High** | **High** |
| 01-01-R6 | **Availability of Information.** Analysis of expenditure reveals that asset register and vehicle lists are inadequate (e.g. fragmented, non-existent) to implement Venus system | **High** | **Low** |
| 01-01-R8 | **Resistance to Change.** Resistance to project team, reluctance to work with team, slow provision of required information | **Low** | **High** |

Notes

1. **Row 1.** The column headings are outlined
2. **Column 1.**The reference number in the first column refers to the task number in the WBS
3. **Column 2.** The source or root cause of the risk or opportunity
4. **Column 3.** The likelihood of the risk taking place during the project is estimated and recorded
5. **Column 4.** The impact on the project in the event that the risks do take place, is recorded

The risks are then listed in the order of their severity - as shown in the table above.

**PROJECT NAME:**

**PRIORITISED RISKS**

| **WBS &****Risk No** | **Risk/Opportunity Description** | **Risk Likelihood** | **Risk** **Impact** |
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**Formative assessment 3: risk response plan**

**Group activity**

**Aim:** To develop a risk response plan

**Time**:

30 minutes learning team work

30 minutes discussion

**Task**:

1. Break into learning teams.
2. Study the list of prioritised project risks you compiled during the previous team activity
3. Develop a risk response plan for the risks
4. Use the blank table provided
5. Transfer the plan to a table on a flip chart and prepare to preset your team’s prioritised risks

An example of a risk response plan or risk management plan for a set of risks is outlined on the next page.

**Example: Risk Response planning**

**VENUS PROJECT: RISK RESPONSE PLAN**

| **WBS &****Risk No** | **Risk/Opportunity Description** | **Discussion** | **Decision/****Strategy** | **Responsibility** | **Budget** |
| --- | --- | --- | --- | --- | --- |
| 01-01-R3 | **Increased Number of Users.** Analysis of existing financial system reveals a requirement for the implementation of the Venus package for all the surrounding informal housing areas. The magnitude of this is estimated to be equivalent to the current project  | * Should be regarded as a market opportunity to extend the project, rather than a risk.
* Currently out of scope due to contract for 100 users.
* Need is apparent and very evident.
* Isolate from current project and market as a separate contract.
* Best option – install as an extension after current project.
* Saves on manpower
 | * Accept risk
* Ensure client is aware of this as an exclusion
* Market as an extension to the project
 | * Project Manager (PM) educate client
* Project director market extension
 | * No funds from existing project budget
* Funds to be allocated from marketing budget
 |
| 01-01-R5 | **Staff Location.** The current location of the staff may not be optimal for the implementation of the Venus application | * Network and workstation planning has already been done.
* Re-location of staff is a client responsibility.
* There is still sufficient opportunity to re-locate staff members after scheduled hardware and network infrastructure has been signed off by client
 | * Reduce and transfer risk
* Insert conditions in applicable sign off documents – after sign-off all changes will be subject to change control at a time & materials cost.
 | * Project Manager (PM)
* Hardware team leader
 | * No funds from current budget.
* Insist on a change request
 |
| 01-01-R6 | **Availability of Information.** Analysis of expenditure reveals that asset register and vehicle lists are inadequate (e.g. fragmented, non-existent) to implement Venus system | * Client is responsible to gather this information and sign it off.
* If risk materializes, the correction thereof will require concerted effort from the client and re-work to enter data
* However, the risk of non-compliance will influence (delay) the Bull implementation schedule
 | * Reduce and transfer risk
* Inform client of information requirement
* Minute information roles and responsibilities
* Agree any extension will be charged according to time and materials
 | * PM
 | * No funds
* Insist on a client change request
 |
| 01-01-R8 | **Resistance to Change.** Resistance to project team, reluctance to work with team, slow provision of required information | * Client members can follow this course due to fear of the unknown
* Risk can affect schedule of analysis and pilot and cause unnecessary re-work
 | * Reduce risk
* PM to inform/brief and educate client members on all applicable levels via initial briefing and selected progress reports thereafter.
* Influence client members to acknowledge that it is in their interest to provide adequate information
* Monitor situation regularly
 | * PM - briefings
* All Bull team leaders to monitor
 | * Allocate a management reserve of 5 days during each phase of the project for delays due to this factor
 |

**Notes**

1. **Row 1.** The column headings are outlined
2. **Column 1.**The reference number in the first column refers to the task number in the WBS
3. **Column 2.** The description of the risk/opportunity
4. **Column 3.** A brief analysis of the risk
5. **Column 4.** The risk management strategy to be followed for the risk. Note the following:
	* + 1. The strategy is recorded – Accept, avoid, reduce, transfer
			2. Specific tasks are allocated
6. **Column 5.** The responsible members of the project team are identified.

**PROJECT NAME: RISK RESPONSE PLAN**

| **WBS &****Risk No** | **Risk/Opportunity Description** | **Discussion** | **Decision/****Strategy** | **Responsibility** | **Budget** |
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