

RISK ASSESSMENT AND MITIGATION

Effectively managing risk is an essential element of successful project management. Proper risk management can assist the manager to mitigate against both known and unanticipated risks on projects of all kinds. Failure to perform effective risk management can cause projects to exceed budget, fall behind schedule, miss critical performance targets, or exhibit any combination of these troubles.

Identifying and mitigating project risks are crucial steps in managing successful projects. A Risk Assessment and Mitigation (RAM) process is used to analyze and assess the likelihood of project risks, and then to identify ways to mitigate those risks identified. The benefits of the RAM include an increased focus on the most imminent risks, prioritizing risk contingency planning, improved team participation in the risk management process, and development of improved risk controls.

The technique used by RAM identifies the likelihood of the risk occurring, the expected impact of the risk, and the capability to detect a risk event that might occur (as early as possible), and the risk detection methods used to do so.

RISK ASSESSMENT AND MITIGATION

STEP 1 – RISK ASSESSMENT

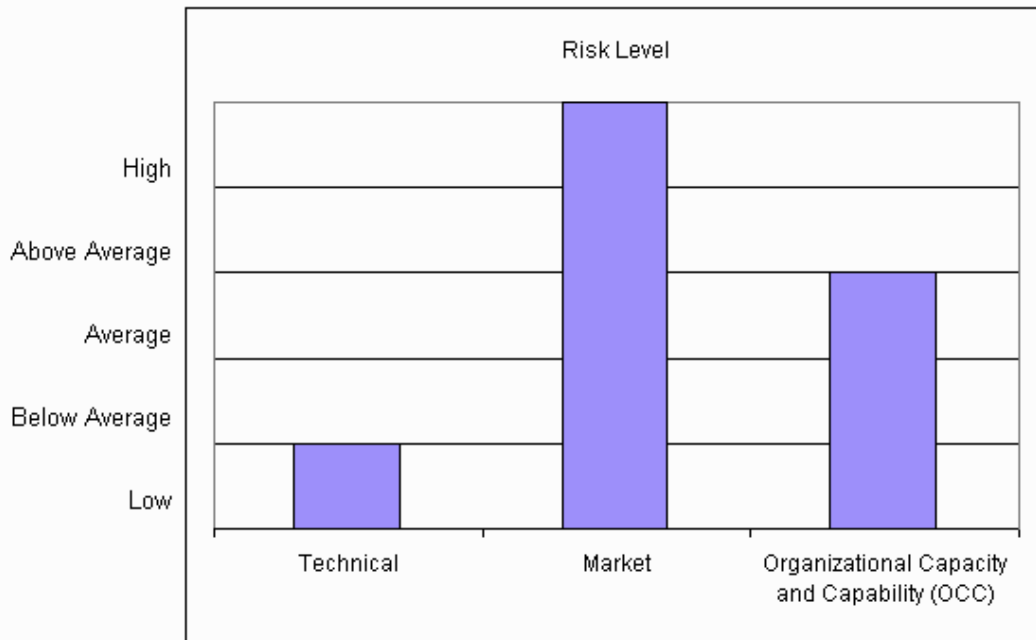
Risk Assessment Summary

Based on the Risk Assessment performed and levels of risk selected, a chart like the one below is populated from the information and data assessed throughout the following pages.

STEP 1 - RISK ASSESSMENT

Risk Assessment Summary

Based on the Risk Assessment performed on the following pages, select the box associated with the appropriate level for each category.



Sample of a RAM Template – the risk assessment follows the principles of Keycare’s Technology Commercialization Model.

Technical Risk

Assessment of whether a risk event may occur that could impact the technical aspects of the project, and, if so, the impact it may cause and what detection techniques that are in place to mitigate this impact.

Risk Level Selection

The functional working model has been further refined and preliminary manufacturing/reproducibility has been assessed. Superior project management supervision and controls are in place, which are monitoring and documenting the project schedule and costs. Detection methods are in place and appear to be highly effective, and it is almost certain that should a risk event occur, the

Low

Market Risk

Assessment of whether a risk event may occur that could impact the market aspects of the project, and, if so, the impact it may cause and what detection techniques that are in place to mitigate this impact.

Risk Level Selection

Although a market overview has been conducted to assess the market demand for the technology, more market research needs to be performed to identify target customers and market size. There is no detection method identified to provide an alert with enough time to consider/investigate alternatives if/when another market opportunity needs to be identified and researched.

High

Organizational Capacity and Capability (OCC)

Assessment of whether a risk event may occur that could impact the OCC aspects of the project, and, if so, assessing the impact it may cause and what detection techniques that are in place to mitigate this impact.

Risk Level Selection

The OCC representing the technology has produced other related technology that was profitable. Additional necessary personnel have been identified. Additional financing has been secured. Financial pro forma of the preliminary cost and revenue estimates have been completed, and appear to be realistic.

Average

STEP 2 – MITIGATION

From the results of step 1, the Mitigation step identifies suggested activities that should reduce risk.

Technical

Item #	Title	Description	Comments
001	More details for project development plan.	Need specifics & key activities. The key milestones have limited detail.	The key deliverables that were objectives of the proposal were mentioned as expected benefits, without knowing whether they, in fact, could be achieved.

Market

Item #	Title	Description	Comments
002	The market gap filled by the product needs to be clear.	There is little compelling evidence of a reasonably ready market, or market demand.	The likelihood of a market risk event occurring is high, the risk impact without a ready market/demand is severe, and detection methods are not evident.

OCC

Item #	Title	Description	Comments
003	Need for experience and track record.	The experience and track record of the team leader and key research team members, with regards to developing technology for industry/commercial application, is unknown.	Original work done is out of date.
004	Detection Techniques	The likelihood of the risk event to the OCC is high and, should the risk event occur, the impact is also very high.	There are little OCC activities presented in the application which suggest detection methods have yet to be identified