**Option #1: Collaboration: Risk Breakdown Structure for a Food Bank Project**

Identifying and managing project risks are critical tasks for project managers. From a project management perspective, risks must be managed from the start of a project until its completion; therefore, the Risk Breakdown Structure (RBS) is an important tool that project managers use to successfully complete projects. Assume that you are a project manager assigned a project to set up a food bank facility for your local community within a two-month period, starting from today. Develop a risk breakdown structure that identifies sources of project risks. Consider Figure 11-4 below and the tasks that might be associated with this project.

1. Identify the risks in the form of “cause-risk- effect,” as described below:

One of the most common risk-identification mistakes is considering things to be risks when they are not. One approach is to treat anything with a probability of greater than 80 percent as a certainty. "Lack of resources" is not a risk, nor is "not enough time to complete the project." If it is known that the length of time required to complete a project is shorter than the time allocated, then this is not a risk—it’s a fact. Such facts should be addressed in the project management plan through crashing, fast tracking, re-estimating, removing scope, using other forms of schedule compression, and bringing the situation to management, but not as part of risk management.

"To differentiate risks from facts and to adequately define risks, use the ‘cause-risk- effect’ format for naming risks: As a result of (definitive cause), (uncertain event) may occur, which would/could/may lead to (effect). Such definition of risks provides enough information for the team to follow the rest of the project management process. See the following examples of risks in the cause-risk-effect format:

1. As a result of lack of clear direction for the scope of work for the XYZ component, there could be rework and wasted efforts, which could delay the project completion from two to four weeks.
2. As a result of the amount of work the customer is trying to accomplish on many projects during this project's completion, a delay in the response to our requests for approvals may occur, which could result in a two-week delay in project completion. Effects could relate to project objectives, project constraints, and risk tolerances." (Mulcahy, 2003, p. 90)

2. Discuss and analyze the importance of each of the four types of risk identified in Figure 11-4 (technical, management, commercial, and external).

3. Create a risk breakdown structure and attach as an appendix (see attached sample and use the blank RBS linked under this assignment in Module 2).

4. Discuss the importance of creating an RBS.

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| **RBS LEVEL 0** | **RBS LEVEL 1** | **RBS LEVEL 2** |
| 0. ALL SOURCES OF PROJECT RISK | 1. TECHNICAL RISK | 1.1  Scope definition |
| 1.2  Requirements definition |
| 1.3  Estimates, assumptions, and constraints |
| 1.4  Technical processes |
| 1.5  Technology |
| 1.6  Technical interfaces |
| Etc. |
| 2. MANAGEMENT RISK | 2.1  Project management |
| 2.2  Program/portfolio management |
| 2.3  Operations management |
| 2.4  Organization |
| 2.5  Resourcing |
| 2.6  Communication |
| Etc. |
| 3. COMMERCIAL RISK | 3.1  Contractual terms and conditions |
| 3.2  Internal procurement |
| 3.3  Supplies and vendors |
| 3.4  Subcontracts |
| 3.5  Client/customer stability |
| 3.6  Partnerships and joint ventures |
| Etc. |
| 4. EXTERNAL RISK | 4.1  Legislation |
| 4.2  Exchange rates |
| 4.3  Site/facilities |
| 4.4  Environmental/weather |
| 4.5  Competition |
| 4.6  Regulatory |
| Etc. |

(Source: PMI, 2017, Figure 11-4)

5. Reach out to at least one other student and discuss your findings about project risk management, based on your review of the case study, to gain greater insight into the main considerations in managing projects. Include the name(s) of the other student(s) with whom you collaborated, and specify the value added by your collaboration with your classmate(s) and what new insights you gained. (Your collaborating colleagues do not need to choose the same Critical Thinking option as you do.)

Your well-written paper should meet the following requirements:

* Be 3-4 pages (900-1200 words) in length, not including the cover page, references page, or appendix. (Remember that the appendix follows the references page.)
* Be formatted according to the [*CSU-Global Guide to Writing & APA.* (Links to an external site.)](http://csuglobal.libguides.com/apacitations)
* Cite a minimum of three sources to support your responses, two of which should be current academic, peer-reviewed, scholarly sources. Note: Current research in this class means the most recent five-year period. Although research older than five years may be used, it will not count toward the assignment requirement. The CSU-Global library is a great place to find these resources. Additionally, in the Module 1 lecture material, you were reminded of what constitutes academic, peer-reviewed, scholarly sources and how to find them in the CSU-Global Library.
* Demonstrate thoughtful consideration of the ideas and concepts that are presented in the course, and provide new thoughts and insights related directly to this topic.

Refer to the Critical Thinking Assignment grading rubric below for more information on assignment expectations and grading.

References

Mulcahy, R. (2003). *Risk management: Tricks of the trade for project managers: A course in a book*. Minneapolis, MN: RMC Pub.

Project Management Institute. (2017). *A guide to the project management body of knowledge: (PMBOK® guide) (6th ed.).* Newtown Square, PA, USA: Project Management Institute.