

managers use in risk management start with identifying as many risks as possible. Once risks are identified, each risk is analyzed so that the project team can concentrate attention on the most critical risks. Analysis always consists of a qualitative or quantitative approach and sometimes also includes a quantitative approach. In the final risk management process, the project team decides how to respond to each potential risk. If the risk management planning has initially been accomplished, the response is incorporated into the overall project management plan. Changes may need to be made to the schedule, budget, scope, or communication plans to account for certain risks. Risk management planning processes are covered in this chapter. Risk management includes monitoring and controlling the risks according to plan. These are covered with ongoing risk planning, in Chapter 14, Determining Project Progress and Reporting.

AGILE


On agile projects, while early risk planning, assessment, and response planning occur at a high level, more detailed and timely risk management occurs in three places: at each subsequent iteration, in daily stand-up meetings, and in retrospectives at the end of each iteration.

10-1 Plan Risk Management

Plan risk management is “the process of defining how to conduct risk management activities for a project.”¹ To plan for project risks, a project manager must first understand the project’s objectives. A project manager develops this understanding by realizing what project success in general is and then by understanding the priorities of the most important project stakeholders, as discussed in Chapter 10. Exhibit 10.1 summarizes current project success research results.

The first set of general project success measures is meeting agreements. This includes meeting the technical requirements while not going over the cost and schedule agreements. The second set of project success measures focuses on the project’s customers. Specifically, did the project result meet the customers’ needs, was the project result used by the customers, and did it enhance the customers’ satisfaction? The third set deals with the performing organization. The specific measures in this area vary, but essentially they ask whether the project helped the performing organization. The **performing organization** is “an enterprise whose personnel are most directly involved in doing the work of the project.”² Typical measures here include market share, new markets and/or technologies, and commercial success of the project output. The final set of project success measures focuses on the project team. Did they become better and more dedicated employees?

EXHIBIT 10.1

PROJECT SUCCESS MEASURES

- **Meeting Agreements**
Cost, schedule, and specifications met
- **Customer’s Success**
Needs met, deliverables used, customer satisfied
- **Performing Organization’s Success**
Market share, new products, new technology
- **Project Team’s Success**
Loyalty, development, satisfaction

Source: Timothy J. Kloppenborg, Debbie Tesch, and Broderick King, “21st Century Project Success Measures: Empirical Interpretation, and Direction,” *Proceedings, Project Management Institute Research and Education Conference*, 2002, Limerick, Ireland.