Project Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Template Instructions:

A “Project risk is an uncertain event or condition that, if it occurs, has an effect on at least one project objective.” Risks are divided into threats and opportunities. Risks with negative impacts are *threats* and risks with positive impacts are *opportunities*. Risks that have already occurred are *issues*.

With the project team, brainstorm the threats and opportunities. Work on one column at a time (i.e. identify all the risks first, then impacts and probabilities). If it is hard to think of positives and negatives together, try scheduling two separate brainstorming meetings. It may also help to think of a list of categories to put each threat or opportunity in. Brainstorm categories or try these to start:

* + - Client-Driven – related to client pressure or assistance, such as reducing or increasing the time for a project
    - Internally Driven – from within your organization such as competition from other projects or projects ending and freeing resources
    - Externally Driven – external to the organization and the project, such as bad weather or good weather
    - Regulatory Driven – created by policies, procedures, and regulatory bodies (e.g. FDA, FDIC)
    - Project Life Cycle Driven – caused by transitions in the project life cycle, such as moving ahead too quickly without good requirements
    - Unknown Unknowns – don’t use this now – save for adding threats and opportunities identified after the project starts

When as many as possible have been identified (insert new rows if necessary), think about the time, economic, and other effects on the project on a scale of one to five. For threats, one is little or no impact and five is a disaster. For opportunities, one may be of little help, five may have big benefits. For example, a sick day by one employee may have little or no impact on a project (1) or a union strike involving all employees may force a project to shut down (5).

Next comes the probability of the threat or opportunity occurring on a scale of one to five. One is unlikely and five is certain. For example, a rainy day in the Sahara Desert may be very unlikely (1) but almost certain in a rainforest where there are over 250 days of rainfall each year (4).

To determine the priority of the threat or opportunity, multiply the impacts and probabilities to get a number between one and twenty-five. Threats with a high priority should have mitigation plans (i.e. you change your project plan to avoid them). Threats of medium priorities should have contingency plans (i.e. workarounds and “Plan B”). Threats with lower priorities may not need to have plans or can be addressed as they happen.

Opportunities with high priorities should have plans changed to take advantage of them. Those of medium priority may not need a change of plans but may be taken advantage of if it is easy to do. Opportunities of low priority may not just be listed. When an “unknown unknown” occurs, record it along with information about how it was handled.

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| **Category\*** | **Threat/Opportunity Description** | **Impact** | **Probability** | **Priority** | **Contingency/Mitigation/Adoption** |
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***\*Categories: Client Driven, Internally Driven, Externally Driven, Regulatory Driven, Project Life Cycle Driven, Unknown Unknown***

Assumptions and Constraints

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Prefilled Example:

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| --- | --- | --- | --- | --- | --- |
| **Category\*** | **Threat/Opportunity Description** | **Impact** | **Probability** | **Priority** | **Contingency/Mitigation/Adoption** |
| Project Life Cycle | Necessary time underestimated | 4 | 5 | 20 | Determine if client can change from fixed time project; double check all estimates |
| Internal | Unable to get specialized resources at time needed in plan due to other projects | 4 | 3 | 12 | Attend weekly company project updates and determine if other resources are available |
| External | Hurricane blows down building | 5 | 1 | 5 | We’re close to but not in hurricane belt, so just monitor weather |
| Regulatory | Government reduces regulations for maintenance of a financial reserve | 4 | 4 | 16 | Use unneeded reserve dollars to increase project budget |
| **Unknown** |  |  |  |  | Provided overtime for a month to make up for lost time |
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***\*Categories: Client Driven, Internally Driven, Externally Driven, Regulatory Driven, Project Life Cycle Driven, Unknown Unknown***

Assumptions and Constraints

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