

Issues and Risk Management

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An important part of any complete project management methodology is prevention, identification, and mitigation of potential business or project-related risks and issues. Project delivery can be significantly affected if organizations do not adopt best-practice risk and issue management processes to stay informed and in control.

Adopting best-practice methodologies helps organizations accomplish the following:

- **Define a standard way to assess risk for new initiatives.** Risk ratings, along with strategic value and financial value, are the main variables used to assess projects during portfolio selection analysis. Organizations need a consistent approach to deriving risk scores and weights for proposed initiatives.
- **Standardize project risk collection and management.** To successfully manage project risk, project managers require centralized and standardized methods for capturing risk information and document mitigation strategies throughout the project life cycle. A centralized log of all project risks makes risk easier to manage and provides the necessary transparency to leadership and project teams.
- **Establish proper issue resolution and escalation.** No matter how well planned and managed a project is, unexpected events can arise. As with risk management, a centralized and accessible location for capturing all project issues provides the project manager and the team with the necessary tools to effectively manage issues and to reach resolutions.

The Microsoft® Enterprise Project Management (EPM) Solution supports risk identification from the earliest stage of portfolio analysis through the final stages of project execution and benefit realization. Microsoft® Project Server 2010 provides a central location for effectively identifying and managing issues and risks. It promotes use of standard processes for definition, assessment, escalation, and resolution of issues and risks.

Portfolio Risk Analysis

Project Server 2010 includes flexible tools for standardizing risk definition and measurement. At the portfolio level, risk represents the level of uncertainty involved in the overall success of the endeavor. Each organization has a unique definition of its risk tolerance that it will adapt to specific market conditions and opportunities. By using a standard methodology to assess its risks, the organization will have a solid, credible method for decision making during portfolio selection and in later analysis of the portfolio. Project Server 2010 provides a variety of ways to capture a risk score and weight for competing projects. Project Management Offices (PMOs) can simply use custom fields to allow the user to subjectively capture a risk score—for example, between 0 and 100—or even to simply specify a risk rating, such as High, Medium, or Low. Using InfoPath® Forms Services, administrators can define objective online risk assessment questionnaires that are included within the business case for each

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project (see Figure 1). By answering all risk questions, a risk score and weight can be automatically derived and used to analyze projects during portfolio selection. Risk metrics are also available to include in a variety of visual reports, like scorecards and bubble charts.

The screenshot shows a web browser window displaying the 'Risk Evaluation Form' in Project Server 2010. The browser is Internet Explorer, and the page title is 'Project Detail Pages - Risk Evaluation'. The address bar shows the URL: <http://moos.contoso.com/owa/project%20detail%20pages/risk%20evaluation.aspx?projid=6513c128-4d49-480a-a3c5-e75195a1d72e>. The page has a navigation menu on the left with categories like E-CRM Solution, Projects, My Work, Resources, Strategy, Settings, and Documents. The main content area is titled 'Risk Evaluation Form' and features three tabs: 'Business Risk' (selected), 'Technology Risk', and 'Implementation Risk'. The form contains four sections of questions with radio button options: 1. Previous Experience, 2. Legal Framework, 3. Funding, and 4. Business Case. A 'Submit' button is at the bottom left of the form area.

Figure 1. Project Server 2010 – An InfoPath Forms Services risk assessment survey

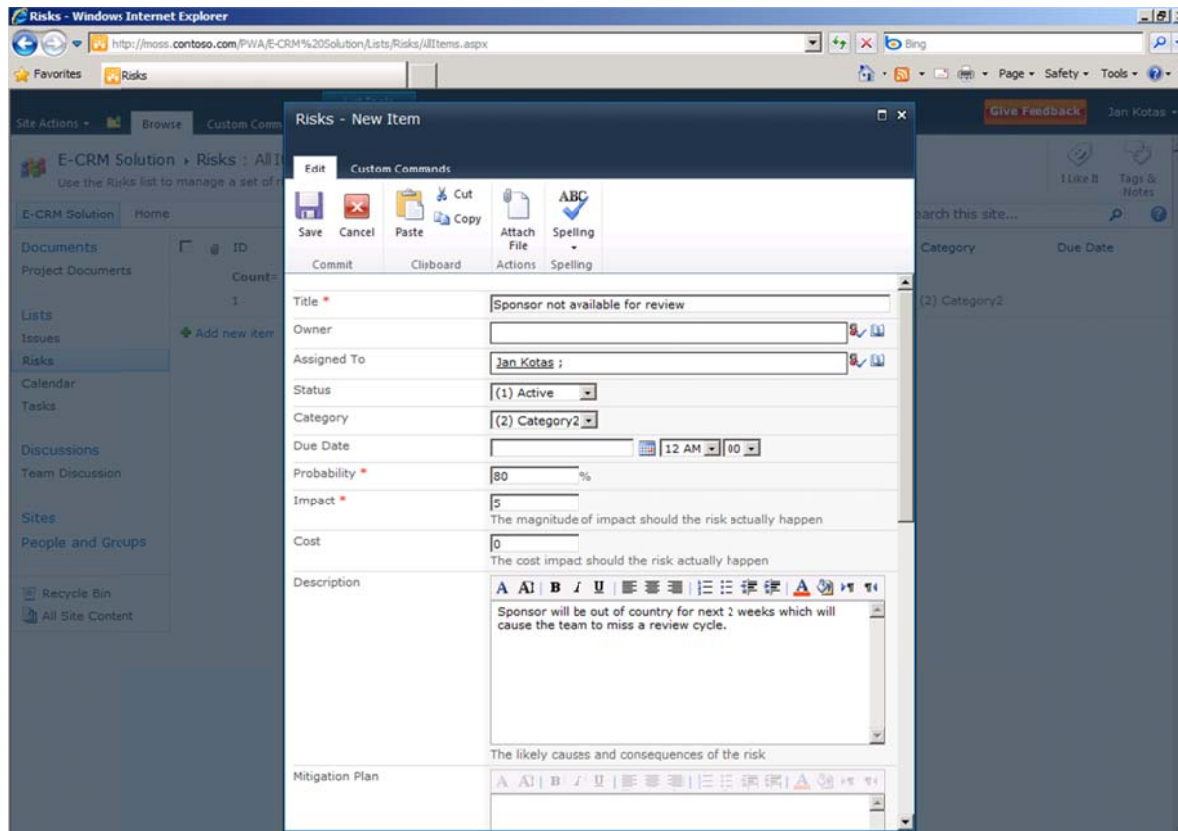
Project Risk Management

Project Server 2010 helps standardize risk identification and management across the enterprise and contributes to the overall successful delivery of projects with less harmful effect from unforeseen or poorly managed events. Project Server 2010 provides a standardized risk collection mechanism to identify, manage, track, and mitigate risks throughout the project or program life cycle. A Risk list is included in the Project Site template.

A project risk can be defined as a potential event that, if it occurs, might have a negative impact on a project's success. Proactive risk management involves identifying and qualifying risks related to a project using industry-standard probability/impact definitions and fields. It is important that organizations

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identify and manage risks at all appropriate levels: project, program, and portfolio. The Project Server 2010 standardized risk form provides a set of common fields for risk identification and management (see Figure 2).



The screenshot shows the 'Risks - New Item' form in a web browser. The form is titled 'Risks - New Item' and contains the following fields:

- Title: Sponsor not available for review
- Owner: (empty)
- Assigned To: Jan Kotas ;
- Status: (1) Active
- Category: (2) Category2
- Due Date: 12 AM : 00
- Probability: 80 %
- Impact: 5
- Cost: 0
- Description: Sponsor will be out of country for next 2 weeks which will cause the team to miss a review cycle.
- Mitigation Plan: (empty)

Figure 2. Project Server 2010 – Risks form

Project managers and team members can use the Project Server 2010 Risks form to identify project risks and to capture their potential impact and probability of occurrence. After risks are identified, appropriate mitigation plans can be documented and managed from the same central location so that all involved stakeholders can be aware of status and next steps. Microsoft® SharePoint® Server 2010 workflows and e-mail notifications can be used to escalate risks and to notify essential individuals within the organization to become involved as needed. The establishment of escalation processes makes risk management efficient and effective. It can provide timely notification to leadership when their support and attention is needed while providing project managers with the proper level of autonomy to manage projects. Organizations can easily customize views and create powerful reports to expose high-probability and high-impact risks to executive leadership to help address them early.

Project Server 2010 gives an organization a comprehensive platform to proactively manage its risks. The need for time-consuming data collection and reporting is reduced because the information is readily accessible.

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Issue Management

Regardless of how comprehensive and proactive project and risk management processes are, unpredictable scenarios and events outside of our control still occur. Project Server 2010 provides a standardized issues collection mechanism that helps organizations identify, manage, track, and resolve issues throughout the project or program life cycle. An Issues list is included in the standard Project Site template. Having a centralized log of all project-related issues provides a designated location where everyone can contribute and review. Using the Issues list, project managers can review the issues, assign appropriate individuals to work on resolutions, and set deadlines to drive dates and decrease the impact on a project's success (see Figure 3).

| ID | Title | Assigned To | Status | Priority | Category | Due Date |
|----|--|-------------|------------|------------|---------------|----------|
| 1 | Unable to update theme | Adam Barr | (1) Active | (2) Medium | (2) Category2 | |
| 2 | Requirement Specifications need more clarity | Hatim Aiad | (1) Active | (2) Medium | (2) Category2 | |

Figure 3. Project Server 2010 – Issues list

Additional Resources

Additional Resources

For expanded help, step-by-step guides, and video training on how to get the most of Project Server 2010 and the Microsoft EPM Solution, visit [Microsoft Project](#).

To learn more about Project 2010 and the Microsoft EPM Solution, refer to the following list of related links:

Product information

[MSDN Project 2010 Beta](#)

[Project 2010 Blog](#)

[Project Team Blog](#)

Interactive content - Videos & Sessions & Webcast

[Project 2010 Video Showcase](#)

[Enterprise Project Management Microsoft Events](#)

[Project Developer Center](#)

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