Risk Management and

Quality Management Presentation

XYZ Cruise Lines

- The Quality Assurance Manager asked the reason for the missed deadline.
- IT Project Manager was asked for the Risk Management Plan.
- A risk matrix wasn’t created and the risk for the developer to have a heart attack was not considered.
- The project was delayed and the company lost an opportunity to improve their competitive advantage, which equaled to millions of dollars in potential future bookings.

What are the project risk management processes as described in the *PMBOK® Guide*?

- The Risk Monitoring and Control process is applied to:
  - monitor identified risks
  - identify new risks
  - ensure the proper execution of planned risk responses
  - evaluate the overall effectiveness of the risk management plan in reducing risk
- Risks are to be identified and dealt with as early as possible in the project. Risk identification is done throughout the project life cycle, with special emphasis during the key milestones.
- Risk monitoring and controlling or risk review is an iterative process that uses progress status reports and deliverable status to monitor and control risks. This is enabled by various status reports, such as quality reports, progress reports, follow-up reports, etc.
- The efficiency of risk analysis and management is measured by capturing the following metrics during project closure. The analysis results are used to decipher lessons learned, which is updated in the organization's lessons learned database.
- Risk Audit- This is not a “process adherence” audit, but an aid to enhance the quality of risk identification and risk analysis. This is also used as a forum to benchmark and identify good practices of risk management among various projects in the organization.

Explain why a project manager, or any stakeholder, should not view risk planning for projects as only a negative activity?

- Stakeholders are individuals who are impacted by your project or have any kind of interest in it. Stakeholders can be internal, external, positive, negative, high power, low power, etc. However, to complete your project successfully you have to manage all these stakeholders and fulfil their expectations. If you fail to do so, your project may not be successfully completed.
- **Good management of stakeholders throughout a project should ensure they view the project in a positive light, regardless of the actual outcome.**
- Negative stakeholders are often overlooked by the project manager and the project team, which increases the project risk. Ignoring positive or negative project stakeholders will have a damaging impact on the project. Therefore, it's important that you, as the project manager, start identifying the project stakeholders early on in the project. The different project stakeholders can have different and conflicting expectations, which you need to analyze and manage If the risk is negative, you will try to avoid or minimize the impact of the risk. If the risk is positive, you will try to make it happen so you can realize its benefits. The strategies to deal with negative risks are: escalate, mitigate, transfer, avoid, and accept. it pays to engage with the right stakeholders all the way through the project, especially if it changes how they feel about the project at the end. Projects don't always deliver exactly what they set out to, so managing stakeholder engagements over the duration of the project is one way to help stakeholders adapt their expectations to what is realistic for delivery.
- **Ways to help stakeholders to see negative activities as a plus you have to show the following:**
  - If you are not capable of realizing the opportunity, you will use the escalate strategy so top management can handle it.
  - If the opportunity is not very important or you are not very interested in it, you will go for either the enhance or accept risk response strategy.
  - If the strategy is too important to miss, you will go for the exploit risk response strategy.
  - If you want to realize the opportunity and you are not able to do so on your own, you will go for the share risk response

Did the organization follow due diligence regarding the creation of a risk management plan, assess all major risks, and develop appropriate risk responses and a plan for monitoring risks? Explain your rationale.

- I truly believe that XYZ Cruise Lines followed project due diligence by acknowledging the issues at hand and their risks while also starting a management process designed to enable them to decide if they should proceed with the project and, if so, how to do so in a way that enables project team to manage the social, economic and environmental risks.
- With the plan created thus far effective project due diligence will save them time, money and many problems, possibly even save the project itself. It will enable the project team to identify, manage and control the risks to prevent harm, make better financial and operational decisions and meet their commitments to your stakeholders.
- The risk event in this case should have been identified in the beginning to maintain a stronger plan B. Depending on one person to create a secondary plan to prevent any risks wasn't a smart thing to do from the beginning due to the unexpected situation with the Risk Manager. By making the decision to create a risk management plan to eliminate risks will give them a better competitive advantage
- Due diligence helps to gain more realistic timeframes for project activities and processes, which can in turn be transmitted through communications strategies to stakeholders. This translates into better management of stakeholder expectations. Better management of stakeholder expectations contributes to reducing some of the constraints faced by exploration companies

Should the risk event have been identified in the beginning by practicing sound quality control? Why or why not wit etails?

- Yes, risk identification and assessment are fundamental characteristics of an effective operational risk management system, and directly contribute to operational resilience capabilities.
- Effective risk identification considers both internal factors and external factors.
- Sound risk assessment allows the company to better understand its risk profile and allocate risk management resources and strategies most effectively.

What are some contingency plans or actions that could have been taken to limit the impact of this possible risk event and other such related events, such as a key team member leaving for any reason? Is there a quality management component that should be considered (If so, discuss what it entails)?

- Contingency Planning in project management is an approach to forecasting future unexpected events (threats and uncertainties) that have a negative impact upon a project and develop an action plan to effectively respond to the identified threats and uncertainties. The purpose of project contingency planning is to develop an effective contingency plan document that could help minimize the likelihood of risk occurrence and mitigate the negative impact of identified risks.
- The best way to fight disruptive unknowns and uncertainties is to manage risks and make project contingency planning activities a normal part of daily project operations. The project manager in cooperation with the risk management team needs to work on project continuity and contingency planning from the very beginning of the project once the project charter has been stated and approved. This person will assign a risk manager who will help with the development of a sample contingency plan and take care of implementing effective project contingency planning examples.

What would be your quality assurance recommendations for such projects in the future based on this case?

- Strengthening customer relationships-Product development can create an adversarial relationship between your organization and its customer. The customer wants the maximum value at the lowest cost, whereas your organization wants to maximize its pro
- Enhancing product quality
- Reducing the risk of failure-Software projects can fail for a number of reasons, but one of the most common is a disconnect between what the customer wanted and what the team delivered.

References

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